Daily Report

Latin America

FBIS-LAT-91-178
Friday
13 September 1991

Daily Report
Latin America

FBIS-LAT-91-178 13 September 1991

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Supreme Court Presidents Meet, Issue Declaration *[Managua LA PRENSA 7 Sep]* 1
Cuban Membership Question 'Still on Hold' *[CANA]* 1
SELA Ministerial Council Meets in Caracas 2
Arriola Elected New Secretary *[Madrid EFE]* 2
Outgoing Leader on Foreign Debt *[AFP]* 2
Ministers Seek Reactivation of Regional Group *[AFP]* 3

CARIBBEAN

Cuba

U.S. Efforts To Block Embargo Debate Condemned *[Havana TV]* 5
Commentary on U.S. Blockade, Nonaligned Meeting *[Havana Radio]* 5
Baker Restates Western Aid Conditional *[Havana TV]* 5
Pankin Confirms Gorbachev's Remarks on Troops *[Havana Radio]* 5
Defends Recall Decision *[Havana TV]* 5
ANPP President Welcomes Honduran Delegation *[Havana Radio]* 6
Foreigners, Journalists Barred From Congress *[Bonaire Radio]* 6
'Special Period' Affects Agricultural Work *[Havana Radio]* 6

Antigua and Barbuda

Government Rejects Implementation of Tariff *[Bonaire Radio]* 7

Bahamas

Talks Begin With Haiti on Illegal Immigration *[CANA]* 7

Dominican Republic

Balaguer Adviser Rejects PLD Disobedience Call *[Santo Domingo Radio/TV]* 7

Haiti

Aristide Addresses Current Domestic Issues *[Port-au-Prince Radio]* 7
Groups Demonstrate Against IMF Agreements *[Port-au-Prince Radio]* 8
Government Sets Uniform National Minimum Wage *[Port-au-Prince Radio]* 8

MEXICO

Soviet Ambassador Comments on Troops in Cuba *[Madrid EFE]* 9

CENTRAL AMERICA

El Salvador

Ponce Comments on Upcoming Talks With Rebels *[San Salvador TV]* 10
FMLN To Suspend Operations *[Radio Farabundo Marti]* 10
Ponce Says FMLN To Increase Violence *[LA PRENSA GRAFICA 12 Sep]* 10

Guatemala

Search for Clandestine Cemeteries Resumes *[PRENSA LIBRE 12 Sep]* 11
Ministry Issues Statement on Dispute With Belize *[EL GRAFICO 11 Sep]* 11

Honduras

President Callejas Comments on Trip to Venezuela *[TIEMPO 10 Sep]* 12
Lozano Martinez Elected Supreme Court President *[EL HERALDO 12 Sep]* 13
Ministry Lacks Funds To Fight Dengue Epidemic *[Panama City ACAN]* 13

Nicaragua

Government Holds Talks With Recontra Leaders *[BARRICADA 8 Sep]* 13
RN Chief Criticizes Government, Vows To Rearm *[Managua Radio]* 14
Assembly President on Veto of Property Law *[Managua Radio]* 14
Government Renegotiates Debt With Mexico *[BARRICADA 10 Sep]* 14

Panama

Editorial Views Consequences of Noriega Trial *[EL DIARIO INDEPENDIENTE 9 Sep]* 15
Part Two on Testimony *[EL DIARIO INDEPENDIENTE 10 Sep]* 16
Part Three on Invasion *[EL DIARIO INDEPENDIENTE 11 Sep]* 16
Part Four on Endara Link *[EL DIARIO INDEPENDIENTE 12 Sep]* 17
President Says No Law Prohibits Entry of Cash *[EL SIGLO 12 Sep]* 17
Existence of Paramilitary Group Investigated *[EL SIGLO 11 Sep]* 18
Government Prepares To Purchase Mexican Oil *[EL PANAMA AMERICA 11 Sep]* 19

SOUTH AMERICA

Argentina

Verification of Charges of UK Executions Asked *[NOTICIAS ARGENTINAS]* 20
Drug Firms Fight Patent Law, U.S. Pressure *[BUENOS AIRES HERALD 12 Sep]* 20
Central Bank Reports Treasury Deficit for Jul *[BUENOS AIRES HERALD 12 Sep]* 21
Menem Interviewed on Political Issues *[Panama City TV]* 21
President Addresses Economic Seminar *[Buenos Aires Radio/TV]* 22
Menem on Plebiscite on Death Penalty in 1993 *[Buenos Aires Radio]* 24
Yoma Accused of Anti-Menem Campaign *[NOTICIAS ARGENTINAS]* 24

Bolivia

World Bank Grants $55 Million Credit *[La Paz TV]* 25
Inquest Ordered on Pilot Arrested in Paraguay *[PRESENCIA 8 Sep]* 25

Brazil

President Visits Zimbabwe, Mozambique, Namibia *[cross-reference]* 26
Strike Paralyzes Refinery; Oil Production Down *[Rio de Janeiro TV]* 26
Petrobras Files Court Action *[Brasilia Radio]* 26

Chile

Reports of Honecker Visit Called 'Groundless' *[Santiago TV]* 26
Aylwin on Need To Improve Laws on Easter Island *[Santiago Radio]* 27
Government Objects To Decoration for Pinochet *[Santiago Radio]* 27
Vega Urges Servicemen To Back Government *[Santiago Radio]* 27
Defense Minister on Civilian, Military Relations *[Santiago Radio]* 28
Experts Deny Finding MIR Leader's Remains *[Santiago Radio]* 28
Leftist Marchers Attacked by Alleged Communists *[Santiago Radio]* 28
Party Created For Municipal Elections *[EL MERCURIO 2 Sep]* 28

Transportation Sector Ends Provisional Strike *[Santiago Radio]* 28
Health Leaders Reject Government Legal Action *[Santiago Radio]* 29

Colombia

Caracas Talks Focus on Combat-Free Zones *[Bogota TV]* 29
Government, Rebels Outline Proposals in Caracas *[Bogota TV]* 29
Gaviria Adviser on U.S. Embassy Communique *[Bogota Radio]* 30
Arrest Warrant Issued for Cali Cartel Chief *[Mexico City NOTIMEX]* 31
Gaviria on International Drug Commitment *[Bogota TV]* 31
Roundup of Guerrilla Battles, Activities *[EL TIEMPO 1 Sep]* 31
Supervisor of Treasury Appointed *[Bogota TV]* 32

Ecuador

Petroleum Engineer Named New Energy Minister *[Quito Radio]* 32

Paraguay

Appellate Court Releases Union Leader Baez *[ABC COLOR 12 Sep]* 32

Peru

Fujimori Plans To Continue Privatization Process *[LA REPUBLICA 2 Sep]* 33
Liberty Movement Becomes Political Party *[LA REPUBLICA 2 Sep]* 33
Deputy Criticizes Lack of Protection for Tourists *[Lima TV]* 33
Mining Export Credit Approved 11 Sep *[Lima TV]* 34
Shining Path's Urban Activities Studied *[LA REPUBLICA 1 Sep]* 34

Uruguay

Ministry Denies Purchasing Training Planes *[EL PAIS 1 Sep]* 38
Navy Captures Two Taiwanese Trawlers *[Montevideo Radio]* 38
Possible Transfer of BCCI Funds Investigated *[Montevideo Radio]* 39
Minimum Salary, Public Servant Salaries Raised *[Montevideo Radio]* 39

Venezuela

Duran To Discuss Oil During Visit to Cuba *[Madrid EFE]* 39
Oil Exports Reach Highest Level Since 1979 *[Madrid EFE]* 40

Suriname

New Government To Resume Ties With Venezuela *[Paramaribo Radio]* 40
Commando Leader Brunswijk Congratulates Venetiaan *[Paramaribo Radio]* 40

Supreme Court Presidents Meet, Issue Declaration

PA1209155891 Managua LA PRENSA in Spanish 7 Sep 91 pp 1, 12

[Text] The first Conference on the Protection, Strengthening, and Dignity of the Judicial Branch concluded with the signing of a declaration that includes an analysis of the main elements for the autonomy and independence of the Latin American Judicial Branch. The event lasted three days. The presidents of the Supreme Courts of Justice from Colombia, Guatemala, El Salvador, Honduras, Mexico, Venezuela, Costa Rica, and Nicaragua participated.

Dr. Rafael Chamorro Mora, magistrate of the Supreme Court of Justice in Nicaragua, read the 14 point declaration issued by the judicial branches of the countries participating in the event.

Some of the points discussed by the law professionals were: the virtual nonrecognition received from governments and legislative branches; the deterioration of professional ethics in the justice sector due to material and academic limitations; the crisis in the administration of justice and law education; and the unavoidable risks of the new economic models in the management of justice.

"The urgent priorities of the judicial branch demand the cooperation of our governments," Chamorro Mora stated when reading one of the points included in the declaration issued by the Supreme Court of Justice presidents.

The document said that the independence of the judicial branch and the political polarization "which perturbs the management of justice" represent a problem.

Referring to the leadership crisis afflicting Latin American nations, the document says that this can be overcome with strategies such as consultation, which has yielded results in our country.

The declaration issued by the Supreme Court of Justice presidents congratulates the Supreme Court of Nicaragua for holding the first conference at such a high technical level and with such a sizable participation.

The declaration also agrees to hold a second conference on the protection, strengthening, and dignity of the judicial branch, which will be held in Caracas, Venezuela, in September 1992.

Supreme Court of Justice President Orlando Trejos Somarriba said that some local groups are exerting pressure "so that the judicial branch favors their interests," thus implying that political groups linked with the executive and legislative branches oppose the full independence of the state branches.

Trejos also said that lack of independence is one of the problems afflicting the judicial branch; and the lack of resources "does not allow judges and magistrates to work satisfactorily."

Referring to the independence and autonomy of the judicial branch, the president of the Supreme Court of Justice in El Salvador said that "the people guarantee them," but he admitted that the Latin American countries' "political culture precludes the free development and consolidation of legal states inspired in the autonomy of the judicial branch."

Dr. Farid Ayales, former Costa Rican ambassador to Nicaragua, said when approached by LA PRENSA that "we can establish a legal state with a true and efficient management of justice."

Ayales, who said that the first international conference on the judicial branch is "very important," emphasized that—within the context of the Latin American countries' democratization—the existence of a legal state implies respect for a juridical order through laws that are issued by parliaments.

The former Costa Rican diplomat said: "We cannot talk about the existence of a legal state" as long as we do not have an independent judicial branch.

Nevertheless, Dr. Ayales said that there is currently talk about democratic processes, with "concepts that are not clear enough." He also said that the law prevails when it is the will of a majority.

Referring to this issue, he said that legal regimes or political regimes "must follow the mandates of a social majority concerning the creation of a parliament," which he described as the foremost branch in a state.

Ayales said that the legal state must prevail in a society. He emphasized that it is impossible and irrelevant to issue laws and enforce justice by consensus. "Unity of criteria only exists in totalitarian regimes," he said.

"Consequently, the judicial branch must protect the people's achievements, but it must respect the minority," Ayales said.

Dr. Edmundo Vazquez Martinez, president of the Supreme Court of Justice in Guatemala, was asked about international crime, which threatens a healthy management of justice. He said that "its shadow looms over the judicial branch."

Vasquez said that justice has deteriorated due to an increase in criminal activities. He added that the pressure exerted on courts and governments to extradite drug traffickers "represents a threat against legal states," referring to the involvement of U.S. agencies in the arrest of drug traffickers in various countries.

Cuban Membership Question 'Still on Hold'

FL1209161691 Bridgetown CANA in English 1524 GMT 12 Sep 91

[Report by Colin King]

[Text] Caracas, Venezuela, Sept 12, CANA—The Caribbean Tourism Organisation (CTO), faced by heightened interest in its membership, is setting up a task force to

consider the minimum criteria for membership, chairman Charles Maynard said. He said the decision was taken by the CTO board after Colombia, and St. Martin indicated at the current Caribbean Tourism Conference (CTC) here that they wished to apply for membership, while similar interest has been expressed by Guatemala.

Maynard did not specify any date that the task force should be operational, but suggested the membership applications will be dealt with on the basis of the findings. Maynard, Dominica's tourism minister, said a few countries have been showing interest in readmission to CTO but subscription arrears were involved.

The CTO, grouping nearly 30 states, currently allows for government membership "to any state or entity being part of or accepted as being part of the Caribbean region that in the opinion of the board of directors is able to exercise the rights and assume the obligations of membership."

Maynard reiterated at a briefing Wednesday that the question of Cuban membership is still on hold, as a formal recognition of the legitimacy of the Grenada Government by Cuba, as required by the Caribbean Community (Caricom), is still to be made. Cuba brought a compensation claim against Grenada and refused to recognise the island's government in the wake of the 1983 U.S. invasion of Grenada which ousted a government that had close ties with Havana.

SELA Ministerial Council Meets in Caracas

Arriola Elected New Secretary

PA1209184391 Madrid EFE in Spanish 1825 GMT 6 Sep 91

[Text] Caracas, 6 Sep (EFE)—Salvador Arriola, a Mexican and the new permanent secretary of the Latin American Economic System [SELA], said on 6 September that over the next four years this organization will increase its role as a consultation and coordination forum for 26 Latin American and Caribbean countries.

Arriola, elected by acclamation on the second day of the 17th SELA Latin American Council's ministerial meeting being held in Caracas, said he will strictly enforce any policies agreed upon by the SELA member countries.

The Mexican diplomat, who will assume office as SELA permanent secretary in October, will replace Carlos Perez del Castillo of Uruguay.

Arriola said that nearly all international organizations are considering the convenience of accepting the participation of observers from other institutions or from nonmember countries. SELA will follow this trend.

Nevertheless, Arriola, who is also the current Mexican ambassador to Uruguay, declined to say whether he deems it convenient that the United States and Japan might attend SELA meetings as observers in the near future.

Regarding Mexico's proposal that a special SELA council be held in the next six months in order to study and reconsider the purpose of the organization, Arriola said that the member countries will determine the agenda, site, and date of the meeting.

According to diplomatic circles, the fact that a Mexican is now SELA permanent secretary will cause the organization to tone down former secretary Perez del Castillo's views on foreign trade, the integration process, and relations with the United States.

Arriola denied that Mexico's vote will carry greater weight than those of the other SELA member countries when decisions are made. He said that his work as permanent secretary will mirror the accords and policies decided on by the member countries.

Regarding the most pressing problems facing Latin America, Arriola mentioned foreign debt and the actions being taken by some countries in the area on the regional debt of approximately $11 billion.

Arriola recalled that Mexico and Venezuela have refinanced the outstanding debt of some Central American countries, and added: "The idea is for other creditor countries in the region to do likewise with their own debtors."

An action such as this by Latin American creditor countries "would serve as an example for the international community," Arriola said.

Outgoing Leader on Foreign Debt

PA1209200091 Paris AFP in Spanish 1755 GMT 7 Sep 91

[Text] Caracas, 7 Sep (AFP)—The 17th Latin American Economic System (SELA) Council of Ministers session ended on 7 September with Uruguayan Carlos Perez del Castillo, the outgoing leader, asserting that the foreign debt problem will also be SELA's "main cause of concern" in 1992.

Perez del Castillo, a strong defender of Latin American aspirations, will turn over the SELA command to Mexican Salvador Arriola on 17 October. Arriola is already announcing a change in the policies of the organization in favor of the current trend that advocates economic and commercial liberalization.

To guarantee these changes, Arriola who was elected during the 17th council of ministers, convoked a special ministerial meeting to be held within the next six months. These ministerial meetings are the top authority of SELA, which was created 17 years ago and currently has 26 member states and headquarters in Caracas.

However, at this 17th Latin American Council, the name given to the ministerial meeting, Perez del Castillo received enough support to ensure that debt and trade, primary concerns during his four years in office, will continue to control SELA activities.

At a news conference held at the end of the 17th council of ministers, Perez del Castillo said that the foreign debt issue will continue to be "the main SELA concern" next year. This concern will be followed by the organization's need "to make its external and internal relations more dynamic."

The six decisions approved at the meeting include a "work program and guidelines for 1992," the top priority of which is to solve the foreign debt problem.

The first meeting of the Ministerial Committee for Latin America and the Caribbean will be held in the first half of 1992. The committee was created during a regional conference on the foreign debt held at SELA one year ago.

The ministers tasked SELA's Permanent Secretariat with drafting a report on changes and negotiations on the foreign debt aimed at carrying out economic and social projects. This report will be presented at the 18th council of ministers.

In addition, they announced a meeting of government experts in the first half of 1992. This meeting will discuss the outlook for external financing for Latin America and the Caribbean, and will be coordinated with other regional organizations.

The Permanent Secretariat was also asked to analyze the various adjustment programs implemented in the region in order to assess the effect they have on the liberalization of resources earmarked to finance development.

Perez del Castillo maintained that the experiences of some should serve others, especially with regard to those who negotiate the foreign debt. These experiences should also serve to establish positions in the face of problems such as the initiative for the Americas proposed by George Bush (the creation of a free trade zone in this hemisphere).

He also noted that the experiences will also be useful "to face the decisive phase of the GATT meeting in Uruguay and relations with the EEC."

Regarding GATT, the ministers agreed to hold a new session of the Sixth Latin American Consultative Meeting in Geneva on 2 October. This will be done with an "updated view" of SELA and other organizations.

It is recommended that the SELA Permanent Secretariat hold the necessary consultative meetings for the regional coordination of the final phase of the Uruguay meeting.

To have the best mechanisms for protecting and improving conditions for access to other markets, the Permanent Secretariat was asked to draft a report "on the policy and regulation of competition and on possible multilateral disciplines on the anticompetitive behavior of economic agents."

With regard to the Bush initiative, Perez del Castillo, who is one of its greatest Latin American critics, insisted that "it does not seem viable in its present form" and that "common criteria must be sought to improve it."

In this respect, the ministers asked SELA to join other regional and international organizations in drafting an analysis and system to follow up the new economic framework and the processes of change.

Other instructions that were given include a continued assessment of events and negotiations among the United States, Canada, and Mexico; providing advice to countries and holding a consultative meeting on U.S. relations with the region.

Concerning the EEC, which is now a SELA observer, it was agreed to follow up the results of the dialogue between the EC and the region.

As for Japan, the other economic giant, the ministers told the Permanent Secretariat to meet in order to discuss and analyze relations with it. This meeting is to be held in the first half of 1992.

In addition, Perez del Castillo noted that the ministerial council did not discuss Cuba's problem following the changes in the Soviet Union. He urged SELA to "study" the economic evolution of East Europe.

It recalled that Poland and Egypt received special treatment from the Paris Club (refinancing of government and multilateral debts).

As for SELA's internal situation, the ministers said that the critical situation of the action committees (small organizations) in the system must be faced, and that they must be adjusted to the new realities.

Ministers Seek Reactivation of Regional Group

PA1309035091 Paris AFP in Spanish 0040 GMT 12 Sep 91

[Text] San Salvador, 11 Sep (AFP)—The Central American foreign ministers who met in San Salvador have decided to create an ad hoc group comprised of representatives of the various governments of the area who in 90 days will prepare a draft protocol to reactivate the Organization of Central American States (ODECA), the ministers announced on 11 September.

The foreign ministers met on 10 and 11 September in San Salvador, and they exchanged views on various proposals without reaching a final decision on the legal form of ODECA.

The reactivation of ODECA, an organization of political and economic cooperation created in the 1960's and that never worked out, was proposed at the most recent presidential summit held last July in San Salvador.

According to the final communique issued at the meeting, the ministers also agreed that Costa Rica will this year represent the presidents of the area before the Rio Group, which is comprised of Latin American countries.

The area will then be represented by Honduras in 1992, by El Salvador in 1993, by Guatemala in 1994, and by Nicaragua in 1995. The participation of Panama will be defined in due time.

Other agreements reached are to hold a meeting of the Central American and Caribbean ministers from 20 through 23 November in San Pedro Sula (Honduras) to coordinate cooperation activity and a request by UN Secretary General Javier Perez de Cuellar to extend the term of the UN Observer Group in Central America (ONUCA), which will expire shortly.

In addition, they decided to request from the respective governments of the area the allotment of funds needed to finance and put into operation the Central American Permanent Commission for the Eradiction of the Production, Consumption, Trafficking, and Undue Use of Drugs and Related Crimes.

At their next meeting to be held in Managua in November, the foreign ministers will have to define the mechanisms for implementing the Coordinating Commission for the Development of Central America (CCDCA), which is under the Sanford Commission, a group of experts that recommended a strategy of international assistance for the region.

Finally, the foreign ministers committed themselves to promote the conclusions of the national action programs for implementing in the region the commitments made in the Declaration of the Children's Summit, held in October 1990 at the United Nations.

Cuba

U.S. Efforts To Block Embargo Debate Condemned

FL1309124191 Havana Tele Rebelde Network in Spanish 1100 GMT 13 Sep 91

[Text] Cuba has condemned U.S. maneuvers to prevent the UN General Assembly's discussion to end the U.S. economic, commercial, and financial embargo against Cuba. The Cuban Government requested last month that this issue be included in the agenda of the General Assembly sessions which are scheduled to start on 17 September.

[Ricardo] Alarcon sent a letter to Javier Perez de Cuellar rejecting the statement made by the U.S. State Department which characterized as improper the discussion of this issue by the General Assembly. The U.S. statement, issued on 21 August, claims that this discussion attempts to distort the essence of the blockade.

[Words indistinct] the Latin American Lawyers Association, headquartered in Peru, has informed the UN Secretary General of its interest in the inclusion of this issue in the General Assembly's debates.

Commentary on U.S. Blockade, Nonaligned Meeting

PA1209153191 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Sep 91

[Commentary read by Miguel Cabrera]

[Text] The U.S. Government is attempting the impossible by trying to drown Cuba economically. Its principal weapon is the blockade that it has maintained on the Caribbean island for over 30 years. Another objective of the anti-Cuban strategy of the White House is political isolation. Recently, in this last area, the United States has suffered two important defeats. The first was at the Guadalajara Summit in Mexico where for the first time Latin American leaders, including Cuba, met without being convoked by the imperial eagle. Cuban President Fidel Castro was one of the protagonists in that historic meeting of Latin American solidarity and cooperation.

Only a few days ago, U.S. foreign policy suffered another defeat. Before and during the 10th ministerial meeting of nonaligned countries, the United States lobbied tirelessly against Cuba's positions on the current validity of the historic nonaligned principles. The government headed by Fidel Castro, however, received uncontested support. The conference proclaimed Cuba's right to request that the UN General Assembly study the hostile actions by the United States against the island and came out in support of the return of the illegally occupied territory of Guantanamo. These postulates appear in a report of the 10th ministerial meeting of nonaligned countries approved during the last day of sessions. The document adds that the violations of Cuban air space and its territorial waters, the commercial and credit blockade, and the constant illegal radio and television transmissions from abroad must cease. The Nonaligned Movement with its 103 members has demonstrated that Cuban policy has garnered wide support worldwide. The important report of the Nonaligned Movement also demonstrates that solidarity with Cuba is above any political collapse in Eastern Europe.

Baker Restates Western Aid Conditional

FL1209145891 Havana Tele Rebelde Network in Spanish 1130 GMT 12 Sep 91

[From the "Hot Off the Press" program with Daniel Torres on the Morning Magazine]

[Text] All of you already know the statement issued yesterday by the Cuban Foreign Ministry and President Gorbachev's announcement on the withdrawal of Soviet troops from Cuba. This is information all of you already know. This information was given yesterday by our national services and for that reason it is not necessary to repeat the item at this time. The information is already known.

Baker restated last night, once again during a press conference with international reporters, that credit would only be extended to the Soviet Union from the Western nations, specifically from the United States but generally from the seven most industrialized nations, if the Soviet Union definitely continues with its economic and political reforms. This means that the help from these nations is totally conditional.

Pankin Confirms Gorbachev's Remarks on Troops

FL1209193591 Havana Radio Reloj Network in Spanish 1845 GMT 12 Sep 91

[Text] During a news conference in Moscow, Soviet Foreign Minister Boris Pankin confirmed the remarks made by President Mikhail Gorbachev on the stage-by-stage withdrawal of the Soviet military brigade which is located in our country. According to a TASS report, the head of Soviet diplomacy asserted that this is very significant in contributing to the demilitarization of the region.

USSR's foreign minister expressed assurance that the measure will increase confidence regarding Cuba and that his government hopes that, as a first step, the U.S. Administration will reduce its troops and calls made by U.S. warships at the Guantanamo Base. TASS also said that Pankin made reference to advance notice of maneuvers by the United States in the area. He added that cooperation between the USSR and Cuba will be held under mutually beneficial conditions in all fields.

Defends Recall Decision

FL1309023991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 13 Sep 91

[Text] Today, Soviet Foreign Minister Boris Pankin alleged that the decision to recall Soviet military troops from Cuba should lead to reducing tensions in the

Caribbean and strengthening U.S.-Soviet relations. The top Soviet diplomat said the order to gradually reduce Soviet military supplies to Cuba is based on the self-sufficiency of the island's defense program. In his opinion, this step should help the U.S. Administration to take measures to reduce tensions in the Caribbean. He added that James Baker, his U.S. counterpart, told him yesterday that Washington is planning to work toward that end. Pankin added that the Soviet Union expects a reduction of arms and activities in the Guantanamo Navy Base as an initial phase.

Pankin also noted that the Soviet Union is seeking to de-ideologize its foreign policies. According to PRENSA LATINA, the foreign minister indicated that future relations with Cuba will be economic and commercial in nature, based on international principles and mutually beneficial conditions. Pankin characterized the presence of the military contingent in Cuba as symbolic but, that at the same time, it reflects an earlier era of relations with the United States of which we must rid ourselves.

Pankin said he was not familiar with the Cuban Foreign Ministry statement released yesterday which noted that the Cuban Government had not been consulted or given prior notice of President Mikhail Gorbachev's remarks. The Cuban Foreign Ministry statement called the Soviet chief's announcement as inappropriate both from the point of view of international norms, and agreements signed between the two countries.

ANPP President Welcomes Honduran Delegation

FL1209214991 Havana Radio Reloj Network in Spanish 1933 GMT 12 Sep 91

[Text] Today, Dr. Juan Escalona Reguera, president of the National Assembly of the People's Government [ANPP], welcomed a Honduran legislative delegation visiting Cuba at the invitation of the ANPP. Hector Lucio Gamero, Liberal Party deputy to the Honduran congress said: We want to be closer to Cuba because you have many things we admire, especially the development of medical sciences and sports.

Dr. Juan Escalona expressed the satisfaction of the Cuban National Assembly for being able to have closer fraternal relations with the Honduran congress and characterized the visit as a strengthening of permanent friendship.

For his part, Deputy Lucio Gamero emphasized that conditions exist for economic, cultural, and touristic exchanges.

Foreigners, Journalists Barred From Congress

FL1309115591 Bonaire Trans World Radio in English 1130 GMT 13 Sep 91

[Text] There are reports out of Havana that Cuba will bar foreign delegations and journalists from attending the Cuban Communist Party's [PCC] annual congress. A Cuban Foreign Ministry spokesman says the unusual measure was taken because the congress, which is slated for next month, will focus on internal problems. Observers say it may be a sign of more austerity measures are about to be announced by Havana.

'Special Period' Affects Agricultural Work

PA1209192691 Havana Radio Havana Cuba in Spanish 1400 GMT 12 Sep 91

[Commentary by Amalia San Martin]

[Text] In a previous commentary we discussed the recent meeting of agricultural contingents, which demonstrated the need to apply in agriculture, particularly in the two Havana area provinces, the most advanced techniques in science and technology.

Today we will conclude our commentary series on this subject by remembering that, just before the first anniversary of the creation of the agriculture contingents, there was—as President Fidel Castro has stated—a real revolution in agriculture, as well as in the creation of conditions to increase production and make better use of labor and human resources.

We stated that the contingents guarantee a stable agricultural labor force, which includes 200,000 workers relocated from different sectors, who are rotated every 15 days; students from rural schools; and other workers. The challenge undertaken by the 32 contingents, formed by 7,600 men and women, consists of working in a stable and permanent manner to grow tubers and vegetables for more than 3 million residents of the two Havana area provinces.

Thousands of hectares of land are already yielding their fruits, despite the fact that at times it rains too much or does not rain at all. However, the work done by these contingents has set such an example that many others are trying to emulate these exemplary men and women.

It is true that science and specialized techniques have helped the contingents, but efforts are also being made to conserve, especially fuel, because the country's economic difficulties—caused by reasons that are well-known—do not scare anyone, nor prevent us from thinking and creating to benefit the community. In keeping with this, the Cuban president spoke about animal traction as a measure of what has been called the special period in peace time, one that goes beyond a simple fuel-saving measure. This allows us to carry out different jobs that cannot be performed by a tractor, with a strength equal to that of six or seven men.

As of now, the agricultural contingents will begin to develop new work to greet the 4th Congress of the Communist Party of Cuba. These new tasks are aimed at obtaining better yields and increasing productivity.

Antigua and Barbuda

Government Rejects Implementation of Tariff

FL1309121991 Bonaire Trans World Radio in English 1130 GMT 13 Sep 91

[Text] Antigua and Barbuda Prime Minister Vere Bird Sr. says his government will not implement the Caribbean Community's [Caricom] Common External Tariff [CET]. He said that would hurt his country's economy since some other Caricom nations are experiencing high unemployment, currency devaluations, and other problems which could have a negative effect on Antigua's economy, he said.

Bahamas

Talks Begin With Haiti on Illegal Immigration

FL1209164491 Bridgetown CANA in English 1549 GMT 12 Sep 91

[Text] Nassau, Bahamas, Sept 12, CANA—The Bahamas and Haiti opened talks Thursday on the subject of illegal immigration here by Haitian nationals, the Foreign Ministry said. The purpose of the talks is to review a 1985 bilateral treaty on illegal immigration. The treaty was to remain in effect for five years, after which it would be subject to review if it had not been terminated. The treaty provided for the control of the movement of illegal immigrants, the facilitation of the repatriation of illegal immigrants, and the development of commercial, scientific, and cultural relations between Haiti and the Bahamas.

The Haitian delegation is being led Foreign Minister Marie-Denise Fabien Jean-Louis. The Bahamas delegation is being led by Foreign Minister Sir Clement Maynard.

Dominican Republic

Balaguer Adviser Rejects PLD Disobedience Call

FL1209181691 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1622 GMT 12 Sep 91

[Text] The presidential economic adviser, Juan Jose Arteaga, has said that the threats by the Dominican Liberation Party [PLD] to call for civil disobedience due to the power shortage crisis is nothing more than a political tactic by Professor Juan Bosch to cover up the internal problems of the PLD. Arteaga noted that the PLD faces serious internal problems and that Dr. Bosch tries to cover them up by criticizing the government.

Juan Jose Arteaga said that the people know President Joaquin Balaguer has the capability to solve the problems in the country and that is why they voted for him in the elections. He added that it would be difficult for Bosch to win the elections because he is a son of failure. Arteaga also mentioned that it would be difficult for Bosch to reach the presidency and that if he were to run in the next elections he would be defeated by Balaguer. The economic adviser was interviewed at his office in the presidential palace.

Haiti

Aristide Addresses Current Domestic Issues

FL1209214891 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 12 Sep 91

[Report on President Aristide's address at Saint-Jean Bosco Church on 11 September 1991; passages within quotation marks are recorded excerpts from Aristide's address]

[Excerpts] In a message to the nation on the third anniversary of the Saint-Jean Bosco massacre, President Jean-Bertrand Aristide addressed several questions being asked by the Haitian people. These questions touch on negotiations with the IMF, Mrs. Trouillot's departure, the escape of prisoners from the National Penitentiary, and the resurgence of criminal activities in Port-au-Prince.

On the matter of the 6 September prison escape, Father Aristide stated that the report from prison director Captain Doura admitted that 10 prisoners had escaped after a soldier had accepted a bottle of juice from a prisoner. Doura also tied this occurence to the arrest of former Port-au-Prince mayor under General Prosper Avril, Mrs. Carmen Christophe, adding that many other dignitaries were targeted for arrest, and that security had been tightened at the National Penitentiary to avoid a repetition of such incidents. [passage omitted]

"According to the report handed me by the prison director, 10 prisoners escaped from the jail. Some people say 15, some 16, and others say an unaccountable number. Some say two cars came to pick up the escapees. According to the report, the sentry posted at Gate Four was given a bottle of fruit juice by a prisoner. Let me tell you what the report says was in it! Are you interested in knowing what the report says? [Voices from the crowd say yes] Have I already told you? [Voices from the crowd say no] I have not! Now, let me tell you! But I am not yet going to tell you what I have to tell you. I am not a child. When I have something to say, I say it. I say it well, clearly, and unambiguously! [applause]

"According to the prison director's report, the sentry accepted the juice, which contained a sleeping substance. According to the report, that was part of the escape strategy devised by the prisoners. It is my personal belief that with proper guidance and counseling, prison director Capt. Doura could have done a good job during the 6 September incident. Those who think I am not aware of such serious incidents should reconsider because I only pretend to be blind. [applause] When I pretend to be asleep, do not be mistaken: I am not asleep.

Capt. Doura will continue to do a good job because he has since received reinforcements. He is an upright man and I congratulate him. Since 6 September, he has received much needed reinforcements. As a result, a number of people, including Manman Zanfan [Carmen Christophe's nickname], were arrested on 7 and 8 September for their part in the escape and in other affairs." [passage omitted]

Criminal activities have resumed in Port-au-Prince because the antigang police had relaxed their efforts following the excesses which occurred in Delmas 29 when five teenagers were killed. In the wake of this incident, Aristide said, Lieutenant Chacha was arrested. He said he hopes the investigations will soon be concluded so Captain Neptune and those of his colleagues accused in this case can be discharged to continue to tracking down zenglendos. [passage omitted]

On the matter of IMF negotiations, the president said he plans to meet with mass organizations at the National Palace on 13 September to brief them on planned government-IMF talks. Father Aristide said that he still maintains what he has always said about the IMF. He explained that one of IMF's major requirements is the reorganization of public enterprises, a project the government has already completed.

On Mrs. Trouillot's departure, Father Aristide urged the Justice Department to take responsibility. He also urged the people to organize in demanding justice wherever and whenever necessary.

"As you know, on 29 July, Mrs. Trouillot sent a letter to the court protesting that she was not a perpetrator, but a victim willing to testify against Lafontant and his co-defendants. If, despite that, and despite Marjorie Robeants' claim to the court that the 6-7 January event was not a coup but a transfer of power, it is the judges' responsibility to determine the truth. Meanwhile, the executive power will keep a close watch, without interfering in the judicial system. This does not mean we are shirking our responsibility; we are simply respecting the rules of democracy as required by the Constitution, rules which have their limitations because of the possibility of corruption within the judicial system. Matters cannot always be handled the way we the people would like them to be. You have given me authority which I pass on to you. This power entitles you to organize to defend your rights wherever, however, and whenever necessary."

Aristide wants the judiciary to assume its responsibility in Mrs. Trouillot's affair, but we wonder what the judiciary can do when we know that the ban on Mrs. Trouillot's travel was lifted by Justice Minister Karl Auguste, a member of the Rene Preval government.

President Aristide announced measures to lower the prices of textbooks, other school items, and tuition. This is a decision parents have been looking forward to since the country began going through difficult economic times.

Groups Demonstrate Against IMF Agreements

FL1209221191 Port-au-Prince Radio Metropole in French 1600 GMT 11 Sep 91

[Excerpts] Four organizations staged a demonstration on 10 Sep in front of the Ministry of Finance to protest any move by the government to sign an agreement with the IMF. [passage omitted] The demonstrators suggested that the government hold discussions with all sectors of national life. Let us listen to them.

[Begin recording] [First unidentified demonstrator] Such an important matter as an agreement with the IMF, which will affect the living conditions of the masses, requires that the government hold consultations with the people and with the various sectors of the population, as well as with mass organizations. This is what we demand of the government. We therefore expect the government to halt negotiations with the IMF and begin negotiations with the people to agree to measures for the development of the country.

[Second unidentified demonstrator] We are greatly surprised to see how the lavalas government is breaking the promises that many of its members made before or during the electoral campaign. We cite, for example, the important points made in the article by Planning Minister Renaud in HAITI EN MARCHE in 1989 and sent to the minister of finance, in which Bernardin explained that any agreement with IMF would bring hunger and misery to the country and generate social explosions.

Therefore, the path chosen by the current government can only lead to disturbances in the country. We are wondering what people like Verela and Father Jean-Bertrand Aristide hope to gain by social upheaval. We must ask ourselves those questions. [end recording]

Government Sets Uniform National Minimum Wage

FL1209224891 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 12 Sep 91

[Excerpt] In a letter attached to a new bill submitted to the Chamber, President Jean-Bertrand Aristide and Prime Minister Preval set the daily minimum wage at 26 gourdes nationwide. The minimum wage had been adjusted to establish parity between the provinces and the capital in an effort to avert a rural exodus, which the government has been attempting to prevent. The government believes that the Senate's original plan would have given rise to strikes in the provinces. To forestall such a development, the government has decided to fix the minimum wage at 26 gourdes nationwide. [passage omitted]

Soviet Ambassador Comments on Troops in Cuba

PA1309042691 Madrid EFE in Spanish 2319 GMT 12 Sep 91

[Text] Mexico City, 12 Sep (EFE)—Oleg Darusenkov, the Soviet ambassador to Mexico, asserted on 12 September that it would be very costly, anachronistic, and would also create tension to maintain Soviet troops in Cuba.

At a news conference at the Foreign Journalists Association installations in Mexico City, the official commented that Soviet President Mikhail Gorbachev's announcement that the 11,000 Soviet soldiers still in Cuba would be withdrawn from that country.

Darusenkov pointed out that the reasons that prompted the presence of the troops in Cuba have disappeared. He said: "To have troops over there would be anachronistic. Furthermore, it would cause a certain amount of tension and this has a cost." The ambassador also asserted that the presence of Soviet soldiers was symbolic because Cuba has armed forces with which to defend its sovereignty.

"The process to change our relations did not occur recently," the official stated and added "it runs together with the changes that are taking place all over the world because changes have an impact everywhere."

The Soviet ambassador explained that "Cuban-USSR relations are not the same, since they have had to experience changes as can be seen with the withdrawal of Soviet troops from a Cuban training center."

"However, our intention is to continue having good relations with Cuba and with all countries," the Soviet diplomat added.

Regarding economic relations between Cuba and the Soviet Union, Darusenkov stated that they have been trying to find a way to balance these relations for some time, as they are not based "on principles of mutual advantage." He added: "This is logical. For a period of time, a great deal of help had to be given to Cuba and we inherited this situation."

The ambassador added: "It is difficult to maintain the same type of relations today and we are in the process of normalizing our relations." However, he explained that "the process will not be carried out quickly because it would be the Cuban people who would suffer the consequences."

"We are entering the phase of starting new world societies (...) capitalism has changed and it is not the same as during the times of the 1917 October Revolution," Darusenkov stated.

"I do not believe that Cuba can stay out of what is happening around the world (...) Cuba's future is in its return to the Latin American family," he stated.

The Soviet official also stressed that Cuba should occupy a prominent place in Latin America and that the next Cuban Communist Party congress will make decisions that will enable changes, which are in tune with what is happening around the world, to take place in that country.

El Salvador

Ponce Comments on Upcoming Talks With Rebels

PA1209182991 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Sep 91

[Report by Alfredo Villareal]

[Text] Defense Minister General Rene Emilio Ponce today urged the people not to expect too much from the meeting at the United Nations. The military commander said the new meeting will only result in a new mechanism for negotiations and, perhaps, a new agenda.

Various government officials have recently agreed that the meeting between UN Secretary General Javier Perez de Cuellar and the parties in conflict will not produce substantial agreements, much less a cease-fire. Defense Minister Ponce stressed that the meeting will only serve to establish a new dialogue mechanism.

[Begin Ponce recording] It is a high-level forum that may result in positive agreements concerning the future of the negotiating process, including the approval of a new agenda. We should not be too optimistic and expect the meeting to result in substantial agreements. [end recording]

Gen. Ponce said that the FMLN [Farabundo Marti National Liberation Front] has requested its incorporation into the Army, but this was rejected by the high-ranking military commander, who added that this could only be possible after the disarmament of the guerrilla forces.

[Begin Ponce recording] The president has said that this is completely unacceptable for the time being and I reassert it on this occasion. We cannot accept outlaws, terrorists, and clandestine groups within a legal institution of our country. The issue can be discussed following a peace process and once they have recovered their rights as citizens. [end recording]

He also said that the FMLN General Command's decision to sign agreements resulted in a deep rift among the guerrilla commanders, because some of them say they will not turn in their weapons after a cease-fire has been signed.

[Begin Ponce recording] They signed the Caracas agenda, which clearly says that a cease-fire comes first—to be followed by a demobilization—before the FMLN returns to the country's civilian, democratic, and institutional life. This will be followed by a consolidation of our democracy and the full enforcement of human rights. That is included in the Geneva Accords and the Caracas Agreements. The FMLN may be sorry that it signed those agreements because of the reactionaries within it ranks, but that is an entirely different matter. This has caused a deep rift among the FMLN leadership and cadres in the country. [end recording]

The defense minister participated in a ceremony at the Civic Square to commemorate the independence month, during which all the government ministries organize their own ceremonies.

FMLN To Suspend Operations

PA1209200791 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 12 Sep 91

[Report by Justo Sierra]

[Text] The General Command of the Farabundo Marti National Liberation Front [FMLN] on 11 September ordered a unilateral halt to offensive operations throughout the country effective 13 September.

A communique issued on 11 September and extensively reported in the local media stated that the truce will be held while the entire FMLN General Command and President Alfredo Cristiani hold talks with UN Secretary General Javier Perez de Cuellar.

The truce of the National Army for Democracy [END] will begin at 0000 on 13 September with the suspension of sabotage actions. At 0000 on 14 September, offensive military operations by the END throughout the country will be suspended unilaterally at 0000 on 14 September.

In the communique, the FMLN called on President Cristiani to hold a direct meeting at the highest level with the entire FMLN General Command. Such a meeting would very beneficial to the negotiating process.

The communique is signed by the five top leaders of the FMLN: Salvador Sanchez Ceren, Joaquin Villalobos, Eduardo Sancho, Francisco Jovel, and Shafik Jorge Handal.

As the entire country knows, the meeting called by Javier Perez de Cuellar is an attempt to untie what he described as the Gordian knot of the negotiations: the reforms in the Armed Forces, the future of the two Armies in the country, and the democratic guarantees for the implementation of all the agreements once a cease-fire is signed. As is obvious, everyone in the country hopes this meeting will bring about specific agreements that will move the negotiations forward.

Ponce Says FMLN To Increase Violence

PA1309033291 San Salvador LA PRENSA GRAFICA in Spanish 12 Sep 91 p 2

[Text] Defense Minister General Rene Emilio Ponce has said that he believes there will be an escalation of violence within the next few days, based on information gathered through documents confiscated from rebels who have been killed in combat.

According to Ponce, the FMLN [Farabundo Marti National Liberation Front] has no desire to achieve peace. To the contrary, he said, its main objective is still to attain power with weapons, and therefore it fosters the

armed struggle in the country. "However, the reality is different, since it was obvious that the people repudiated the FMLN and the weapons it offered during the 1989 offensive," he stressed.

Ponce noted the contradiction in the FMLN's announcement of a truce to be effective two days before the peace talks with the UN secretary general, while at the same time it says that it will loot all trucks transporting food and will give it to the poor.

"Now they believe they are the Robin Hoods of El Salvador," he went on.

He said that, although he is convinced that the FMLN does not want peace, negotiations continue to be the only viable alternative. Therefore, he admitted the importance of the meeting between President Cristiani and UN Secretary General Javier Perez de Cuellar on 16 September, which he viewed as a valid effort by the UN secretary general at the request of the two world powers.

He said that the meeting will try to break the impasse that resulted from the FMLN's position of trying to be part of the Armed Forces. "We cannot accept terrorists in the Army because the Army's credibility lies in its professionalism and accepting criminals would make it lose that credibility," he said.

He added that, in view of the expected violence, all the groups that comprise society must be united, as attaining peace is everyone's responsibility.

Ponce also urged private enterprise to prepare for the structural changes that must take place in the country.

Guatemala

Search for Clandestine Cemeteries Resumes

PA1309031591 Guatemala City PRENSA LIBRE in Spanish 12 Sep 91 p 3

[Text] Giovanni Franco, director of the Forensic Medicine Department of the Judicial Branch, stated yesterday that approximately 108 clandestine cemeteries may be found in Quiche, Huehuetenango, and San Marcos Departments, while announcing the resumption of the exhumation of bodies in Chontala Canton, Chichicatenango, Quiche.

Judicial Branch forensic doctors began mapping and soil analysis activities to locate clandestine cemeteries with the technical and scientific support of anthropologists from Argentina and the United States, Franco noted.

The official indicated that the bodies of 26 peasants were found during the first phase of exhumation. The bodies were fully identified by the forensic doctors and anthropologists who are lending technical and scientific advisory services to conduct the judicial investigation.

The National Commission of Guatemalan Widows [Comision Nacional de Viudas de Guatemala—Conavigua] formally asked Quiche's first court to conduct the exhumations in Chontala to ascertain the whereabouts of their husbands, who they say were kidnapped by armed men in 1981 and have never been seen again.

Ministry Issues Statement on Dispute With Belize

PA1209144691 Guatemala City EL GRAFICO in Spanish 11 Sep 91 p 7

[Text] The Guatemalan Foreign Ministry yesterday claimed that this country has not renounced its interests and claims in a territorial dispute with Belize. This dispute is to be solved according to international procedures that, following consultations with the people, may be deemed advisable according to the constitution.

The Foreign Ministry stated:

1) That the Belizean Government's recent statements and its stance on limiting its territorial waters to three miles in the southern region of said state are in line with a process of rapprochement and dialogue that will hopefully result in a solution to the dispute that is satisfactory to both sides and that promotes our respective national interests.

2) That the recognition of the right to self-determination of the Belizean people and state are positive elements of the executive branch's search for a solution and are in line with the constitution.

3) That this recognition does not constitute an abdication of the rights and claims of the Republic of Guatemala in a territorial dispute that is to be solved through international procedures that, following consultations with the people, may be deemed advisable according to the constitution.

4) That, in terms of the measures adopted regarding Belize, the government has acted in a constructive spirit and with a desire to reach a harmonious and respectful solution with all neighboring states that will allow for overall regional development amid a climate of peace and democracy.

Regarding how the Foreign Ministry interpreted the plan by Belizean Foreign Minister Said Musa to expand that country's territorial limit to 12 miles instead of three, EL GRAFICO recently published the opinion of Dr. Francisco Villagran Kramer that explains the Belizean plan.

Belize is not really trying to help Guatemala with its plan. A news dispatch datelined in Belmopan on 20 August stated that Foreign Minister Said Musa submitted a bill before the House of Representatives, extending Belize's territorial waters to 12 miles and declaring a 200-mile-long exclusive economic zone. The dispatch stated that the new law will "keep" a three-mile limit in Belize's southern region, from Sarstun River to Ranguana Key, and will thus remove a long-standing source of friction with neighboring Guatemala. It added that Guatemalans are arguing that they would be denied

access to the sea on its Caribbean coast if Belize were to control all of the area's maritime lines.

Dr. Villagran analyzed the Belizean plan and said that in effect Belize is leaving things in the southern area untouched, since it is not changing its three-mile limit that locks in Guatemala with Honduras. Also, the exclusive economic zone of more than 200 miles permanently takes away territorial waters that belong to Guatemala.

In his opinion, the Foreign Ministry has not been fully informed of the Musa plan and has termed it a "sign of goodwill" when it actually limits Guatemala's access to the sea much more so than its access is currently limited.

Honduras

President Callejas Comments on Trip to Venezuela

PA1209153791 San Pedro Sula TIEMPO in Spanish 10 Sep 91 p 2

[Text] Tegucigalpa—President Rafael Leonardo Callejas on 10 September stated that his trips abroad are fruitful and that it is not true that his government is increasing the country's foreign debt.

Callejas returned on 10 September from Venezuela, where he spent six days and signed several financial agreements earmarked for the construction of 20,000 housing units and for paving the streets of the capital.

Callejas said in a news conference from the presidential house: "Perhaps the most important thing is that my government obtained financing estimated at approximately 250 million lempiras for the years 1991, 1992, 1993, and 1994 to develop housing projects for people with limited economic resources."

The president stressed that "this is very important because it will enable us to develop a program for at least 20,000 housing units in the next three years."

President Callejas explained that, from its foundation in 1957 until today, the Housing Institute (INVA) has only managed to build 28,000 housing units, while his administration will build 20,000 in the next three years.

Callejas added: "These are the deep transformations, the changes we are introducing in the housing sector, generating facilities and homes for thousands of our compatriots."

The president continued: "This is the most extraordinary program that we could undertake in the area of low-income housing projects in Honduras, financed under such special conditions as a 6 percent interest rate, 12-year loan period, and a three-year grace period."

President Callejas indicated that the housing units that will be built with this financing will cost no more than 15,000 lempiras. He added that he has spoken with authorities from the Central Bank of Honduras and the Finance Ministry "to try to find mechanisms that will permit the government, through nonfinancial options in the banking system, to assist the beneficiaries of this program with appropriate interest rates and repayment plans, according to what a low-income housing program should be."

Meanwhile, Callejas said that the Venezuelan Investment Fund has opened a $20 million credit line, which will be used to finance the private sector and to promote tourism in Tela and Islas de la Bahia. These funds have been available reportedly since 1986, but the government has never used them.

In addition, an air navigation agreement was signed with Venezuela, and President Callejas hopes that by early 1992 "there will be air routes and cooperation between Honduran and Venezuelan airlines. Also, we have initiated a 60-day program to establish a maritime transportation project."

Callejas said he was pleased to report that his administration will finish repairs of the Southern Highway with financing of approximately 25 million lempiras given by OPEC and the Venezuelan Investment Fund. This financing will also be used to pave the stretch of road between Tegucigalpa and La Venta, which is beginning to deteriorate.

President Callejas stated: "We have an asphalt supply estimated as worth nearly 30 million lempiras, which will be used by the Secretariat of Communications, Public Works, and Transportation to maintain its program to upgrade the country's roads. We could even incorporate a program to purchase buses for some critical areas of the country."

Regarding criticism of his constant trips abroad, President Callejas said that "the trips are state visits, not pleasure trips and their results are very positive."

He announced that on 1 October he will visit Jamaica and on 21 September he will travel to Belize to participate in the independence day celebrations in that country.

He stressed that the reason for those trips is to strengthen the ties between the Caribbean region and Central America. "We must realize that the Caribbean Basin must find an economic and political strategy to have more influence in future blocks."

Trips are positive and undoubtedly contribute to raise the level of credibility and respect for our fatherland. It is a real honor for me to be able to leave our country and walk with my head up in the capital cities of other countries," he stressed.

He referred to criticism against his government that it has increased the country's debt. He said: "We have reduced the country's total foreign debt, not increased it."

We have refinanced and restructured our debt. I wish I had received the country in the state in which I will leave

it when my administration ends. I had to restructure, refinance, repay $900 million; we were in arrears in our payments to international organizations by $257 million. Those critics should state why they did not pay the debt; I have had to face the situation."

Callejas said that he will ask Central Bank President Ricardo Maduro and Finance Minister Benjamin Villanueva to hold a news conference to explain "in detail how we have managed to update our debt and improve our status."

Finally, in reply to a question about the occupation of the National Agrarian Institute (INA) facilities by union supporters, Callejas said that institution will not disappear. He added that, on the contrary, he has authorized an increase in its budget and that the debates on the draft bill on agricultural reactivation have not even begun at the National Congress.

Lozano Martinez Elected Supreme Court President

PA1309015791 Tegucigalpa EL HERALDO in Spanish 12 Sep 91 p 5

[Article by Eduardo Maldonado]

[Excerpt] The National Congress last night elected Rosendo Orlando Lozano Martinez the new president of the Supreme Court to replace Oswaldo Ramos Soto, who was ousted from his post on 10 September. Lozano Martinez' election was accomplished quickly and without the votes of the Liberal Party.

During the same session and also without the votes of the Liberal Party, Alternate Deputy Nicolas Cruz Torres, who resigned his post, was elected magistrate of the Judiciary Branch, to occupy the position left vacant by Orlando Lozano Martinez.

Before the election of the new magistrates, Liberal Party and National Party deputies discussed how they would vote. However, they never reached an agreement on how they would vote for the new Supreme Court magistrates.

Ministry Lacks Funds To Fight Dengue Epidemic

PA1309023791 Panama City ACAN in Spanish 1556 GMT 11 Sep 91

[Text] Tegucigalpa, 11 Sep (ACAN-EFE)—The Honduran Public Health Ministry lacks the necessary budget to fight the epidemic of hemorrhagic dengue detected in August, official sources said today.

Public Health Minister Cesar Castellanos disclosed that the government needs $2 million to carry out a contingency plan against hemorrhagic dengue. Approximately seven cases have been detected over the past three weeks.

Castellanos explained that all of the persons affected by the virus must be hospitalized an average of five days, as the mortality rate for this type of dengue is 30 to 40 percent.

Each patient must be treated with high doses of serum and antibiotics, which raises the health sector's cost of operation to levels not contemplated in the health budget deficit in this country.

Unofficial sources have said that to increase the insect spraying campaigns and provide health centers with adequate medications, it has been necessary to transfer funds from the budget allotted for fighting cholera, a disease that has not yet been reported in Honduras.

The health authorities announced that a state of "emergency" will be ordered when 10 cases of hemorrhagic dengue cases are reported, and that they will then request more financial and technical aid from abroad.

The government hopes the epidemic will follow the same trend it did in Venezuela, where there were only 8,000 cases, and not as happened in Cuba, where the disease has infected over 50,000 persons during the past decade.

Nicaragua

Government Holds Talks With Recontra Leaders

PA1209194891 Managua BARRICADA in Spanish 8 Sep 91 p 8

[Report by Francisco Rodriguez and J. R. Huerta]

[Text] Jinotega Department—The Nicaraguan Government has held informal talks with former contra peasant chiefs who took up arms again in this department. According to government sources, "the best conditions for an understanding exist," although everything indicates that the so-called recontras are getting ready to begin a war.

In El Mojon Valley, 35 km northeast of Jinotega City, recontra chiefs Encarnacion Valdivia, "El Tigrillo," and Jaime Zeledon "Bolivar," among others, met unofficially with government representative Porfirio Molina Palacios.

After the meeting, the recontra chiefs informed BARRICADA about the armed movement that arose out of the concern of the demobilized peasants of the Nicaraguan Resistance, who claimed that they handed over their weapons but did not later receive the things promised to them.

"El Tigrillo" and "Bolivar" both demand the removal of Humberto Ortega as Army chief and the reduction of the Army. They do not want an Army that is loyal to any one party. "El Tigrillo" accused the Sandinists of planning to murder him last July. As a result of the attack, he was forced to go to the mountains and take up arms again.

"If Mrs. Violeta Chamorro does not disarm the Sandinist Army, we may have bloodshed," this chieftain said, adding that he has 700 men. This is not counting those that other chiefs, like "Dimas" [Francisco Baldivia], claim to have. "Dimas" reportedly has 800 armed men.

"We are going to wage war again with 'Bolivar,' and 'El Campeon' [Jacinto Tercero] if the Sandinists are not disarmed," "El Tigrillo" stated.

This same person, however, also said he is ready "to talk with Sandinists to ease the tension in rural areas." He said he would support an international disarmament brigade, in which "we would be the judges."

The Sandinists, however, are rejecting any participation of the armed former contras in these tasks, since "they were the first to take up arms and attack again."

"El Tigrillo" denied he is receiving military aid from abroad, saying that the weapons they had were hidden since the 1987 cease-fire. "If Mrs. Chamorro wants peace, the whole thing is in her hands. We do not want bloodshed in this country and it is not right for us to be killing each other now," he added.

A new meeting between the government and the recontra leadership is set for 23 September. By then the recontra leaders hope to have reached a consensus on their demands.

Leaders Jaime Zeledon, Jacinto Tercero, and Encarnacion Valdivia, and Alcides Rodriguez, "Bigote de Oro," will attend that meeting.

Commenting on disarmament, "El Tigrillo" said: "We were the first to do so in exchange for nothing, but the Sandinists did not disarm themselves." He is hopeful that the next meeting will be useful for the interests of the nation, "because, if there is no agreement, we are going to fight fair and square."

During the war of aggression, Valdivia led, at the service of the United States, the Rafael Herrera Task Force, which, he said, comprised 6,000 men. He noted that peasants are helping them survive and, despite his threats, proclaimed himself to be a religious man who believes in God. He announced the establishment of a chain of command among the top commanders to present conditions and requests to the central government.

Mediator Porfirio Molina Palacios predicted that on 23 September a definite peace agreement will be signed between the conflicting sides.

RN Chief Criticizes Government, Vows To Rearm

PA1209174291 Managua Radio Nicaragua Network in Spanish 1815 GMT 11 Sep 91

[Text] Erwin Barberena Morales, Commander Oscar, former member of the Southern Front of the Nicaraguan Resistance [RN], issued a communique stating he has decided to take up arms again. Barberena Morales states that he wishes to fight for democracy and for the demobilized members of the RN who are now being persecuted and harassed after laying down their weapons and trusting in the government's promises.

The communique also states that the government has not kept the 13 June 1990 agreement it made with the RN members, particularly with the members of the Southern Front, and which Barberena Morales signed.

Barberena Morales states in the communique issued by the Southern Front of the ARDE [Democratic Revolutionary Alliance] that the current RN leaders have lost their leadership because they formed alliances with those who murdered the Nicaraguan people for 11 years.

Assembly President on Veto of Property Law

PA1309000391 Managua Radio Corporacion in Spanish 2300 GMT 12 Sep 91

[Text] Legislative Assembly President Alfredo Cesar said today, during a news conference, that no one can decide on the constitutionality or unconstitutionality of a law. Cesar was speaking about the presidential veto of the Assembly bill repealing laws 85, 86, and 88, also known as the Sandinist pinata-like giveaway laws. The Legislative Assembly president said that only the Supreme Court has the authority to declare a law unconstitutional. The rest is merely an opinion, since no one in Nicaragua makes such a decision, except the Supreme Court, he said.

Alfredo Cesar said that the Legislative Assembly now has only two options—accept or reject the veto. In accepting it, however, it means that the Assembly would become an accomplice [of the giveaway], because the veto, which was presented on 23 August, is written in such a way that the Sandinists would continue to enjoy the benefits of property that is not theirs, under a new assembly in July 1992.

He added that there is no chance of negotiations because the time for negotiating ended when the veto was signed. Cesar said that the president pointed out in her speech that it was a partial veto, but I would add that it is more than that. It goes farther than a partial veto, becoming a total veto. The veto has been called a new juridical doctrine that is directed at neutralizing the actions of the Assembly. Cesar concluded by saying that the law was created in the image and likeness of Humberto Ortega.

Government Renegotiates Debt With Mexico

PA1209190691 Managua BARRICADA in Spanish 10 Sep 91 p 5

[Text] Nicaragua renegotiated its $1.59 billion debt with Mexico on 9 September by signing an agreement that automatically makes the country eligible to receive oil shipments according to the San Jose Pact.

On 2 February Nicaraguan President Violeta Chamorro signed a letter of intent addressed to Mexican Finance Secretary Pedro Aspe to renegotiate the debt, but the official protocol was signed on 9 September by Raul Lacayo, minister president of the Central Bank of Nicaragua; and Jorge Nicolin, manager of the Bank of Mexico. Representatives of both countries explained

that there was a delay because the Nicaraguan and Mexican Governments had to establish the exact amount of the debt.

Lacayo said Nicaragua's debt with Mexico was reduced to "7.5 percent of its original value." This, along with last year's renegotiation of the country's foreign debt with Venezuela—reducing Nicaragua's debt to 4 percent—"establishes a very favorable precedent" for renegotiating debts with other countries.

Jorge Nicolin said that "a long process to balance the account numbers" concluded on 9 September. He added that the settlement satisfies Nicaragua's wishes and meets Mexico's demands. He explained that the renegotiation involves two phases. The first one, for $524 million, grants Nicaragua a 40-year term for its payment and gives the Mexican Government a guarantee through so-called zero coupon bonds. The second part, for approximately $536 million, has a 12-year term and "is payable in cash or through a mechanism to exchange the debt for assets," which allows Mexican businessmen to participate in the state enterprises' privatization through bids.

The Nicaraguan minister considered it appropriate to state that the price of the zero coupon bonds is equivalent to 5 percent of the debt's value and the privatization bonds' value is equivalent to 10 percent of the debt's value. The average for these two parts is 7.5 percent, he said.

In his visit to Managua in February, Mexican Finance Secretary Pedro Aspe told local and foreign journalists that, according to the terms included in the renegotiation of Nicaragua's debt, his country recognizes that Nicaragua cannot pay its debt.

Haroldo Montealegre, a former Nicaraguan Goverment adviser who participated in the debt renegotiation with Mexico and is currently a private banker, said Nicaragua will again receive the benefits of the San Jose Pact and will be able to receive oil shipments. The San Jose Pact guarantees the supply of Mexican and Venezuelan crude oil to the Central American countries under preferential terms. Mexico suspended its oil shipments to Nicaragua in 1986 because the country could not pay its debt. Nicaragua currently needs 540,000 tons of oil per year.

Another agreement signed between the two countries on 9 September officially establishes a bridge loan granted by Mexico—along with Spain, Venezuela, and Colombia—so that Nicaragua can pay its past due $360-million debt to world banks and again become eligible for credit from multilateral financial organizations. The Mexican representative said the bridge loan consists of a "proportional part" of the $193 million that Mexico, Venezuela, Spain, and Colombia agreed to grant to Nicaragua—although the proportions are not the same for all the countries. Colombia will contribute $10 million and the other countries will contribute $61 million each for a total $193-million bridge loan.

Nicolin said that Mexico's proportion corresponds to a short-term loan, 120 days, payable with the new credits that Nicaragua will receive from the World Bank, the Inter-American Development Bank (IDB), and the IMF once the past due debt is paid.

Panama

Editorial Views Consequences of Noriega Trial

PA1209140591 Panama City EL DIARIO INDEPENDIENTE in Spanish 9 Sep 91 pp 1, 4

[Part one of editorial: "Endara and Noriega"]

[Text] We Panamanians must be prudent and cautious with regard to what we expect from the trial being faced at this moment by Panama's former dictator, Manuel Antonio Noriega, in a Florida federal court.

This open court proceeding has far-reaching consequences that go beyond what could be expected from a normal trial of any Panamanian citizen accused of racketeering and drug trafficking. The repercussions it will have internationally, as well as on the delicate subject of our relations with the United States, place this proceeding on the same stage, where the highest interests of the nation are being confronted, with alienating factors that are acting painfully against Panama.

Understandable anti-Noriega feelings must not make us naive, especially when we can see a world power acting and playing its cards to save its national honor and its own political interests, which have been hurt by the zigzagging in which that country engages in its geopolitical chess game.

It has been made public that U.S. Federal Judge William Hoeveler, whose juridicial objectivity, patriotism, and loyalty in defense of the institutional and political interests of the United States cannot be doubted, has rejected the possibility of Noriega's defense including "the whole story about the relations between Noriega and U.S. intelligence" as evidence in the Panamanian strong man's trial.

In short, topics of great historic and political importance to us will not be disclosed or juridically evaluated in an adequate fashion during a trial at which the United States will try to get rid of any compromising information that may prove unfavorable to its international image. These topics are, among others, the nature of the relationship between Noriega and now U.S. President George Bush while he was CIA director, the meetings held in Panama by Admiral Poindexter and Oliver North to coordinate the supply of weapons to the anti-Sandinist counterrevolutionary forces of Nicaragua, the payments made to Noriega by U.S. intelligence agencies for his "loyal" service, and the details of the agreements between Cuba's Fidel Castro and the sly traitor of traitors on shipments of cocaine and weapons for the Colombian guerrillas.

Panamanians have little doubt that Noriega sold the country to the sinister cocaine mafias and to the international weapons trafficking gangs. The U.S. Army and the CIA have admitted paying this waterfront Judas for his effective cooperation in benefit of U.S. interests. What we are still not completely sure of, but have reasonable doubt to suspect, is to what degree the U.S. politicians manipulated the renegade soldier and his assistants to the detriment of Panama's best interests.

It is not surprising, then, that Judge Hoeveler's decision to limit the testimony at the trial to events that occurred between 1981 and 1986, which are included in the charges against the traitor Noriega by the U.S. justice system, has many of us sitting on the edge of our seats; those of us who were hoping to learn just how far our partners in the Canal enterprise may have gone to hurt us for their own benefit.

Part Two on Testimony

PA1209142491 Panama City EL DIARIO INDEPENDIENTE in Spanish 10 Sep 91 p 4

[Part two of editorial: "Endara and Noriega"]

[Text] After the failed coup attempt on 16 March 1988, the United States seemed more than inclined to forgive all the sins that Noriega is now being tried for. Michael Kozak, negotiating for the State Department, and Romulo Escobar Bethancourt, Noriega's personal representative, tried to draft a plan to guarantee the lifting of all drug trafficking charges against the cunning man from the waterfront, the appointment of a successor as commander in chief, golden exile in Felipe Gonzalez' Spain, and the possibility of entering and leaving Panama whenever he felt like it. They did not even forbid him the remote possibility of running for president!

So self-confident were the U.S. foreign relations officials, as they worked their complicity in the quiet retreat of their favorite Caribbean spy, that the State Department, on three different occasions, announced that it had reached an agreement with Noriega. Even George Shultz played the fool by postponing a trip to Moscow so that he could make the important announcement of Noriega's retirement. It was all false. Such an agreement would have saved them the trouble of publicly trying their closest collaborator and the complications of an unjustifiable invasion that they still have not been able to explain to the democratic world. The shrewd dictator gained valuable time to make his moves.

Of course, the U.S. Government's direct dealings with Noriega and the exclusion of the Civil Crusade's true spokespersons had demoralized the people in their enormous struggle against tyranny, thus weakening their will to fight in the streets. As of that moment, everything depended on the persuasive abilities of the United States and the inconsistent will of Noriega. Panamanians then, as they do now, had no say in the solutions.

The game that has been played for so many years with our country is between Noriega and the United States. The goals, however, have been scored against Panama and no one has the right to even think that Judge Hoeveler must referee the game in our favor and not in that of the United States.

Following this line of thought, it is difficult not to be drawn into a conceptual type of analysis. The precedent has been set, for example, when the U.S. Army arrives in Panama, captures a Panamanian citizen, and tries him on its own territory for crimes that affect only his judges, disregarding those crimes committed in the country of origin. If we applaud this today, because it involves a traitor of Panama, can we be sure we will continue to applaud such actions in the future?

The Noriega trial has divided Panamanian opinion in two directions. The strongest one does not believe our judicial system is capable of bringing Noriega face to face with his natural judges and prefers to see him tried in the United States, thus absolving him of the crimes committed in Panama. These conclusions are shameful to our democratic institutions.

Part Three on Invasion

PA1209142691 Panama City EL DIARIO INDEPENDIENTE in Spanish 11 Sep 91 p 4

[Part three of editorial: "Endara and Noriega"]

[Text] Another big lie that the North Americans have forced us to swallow, as if we were consuming canned preserves, is that they had to rip out our insides with the 20 December invasion for the noble purpose of removing their renegade spy and restoring democracy to Panama.

The United States had more than one opportunity to haul away its uniformed employee at its leisure and to allow a truly populist democracy to emerge in the transition.

One such opportunity, which is now part of local folklore, came when Noriega in mockery took a mango from a tree in Fort Amador and ate it with his own hands in front of U.S. Military Police, thereby demonstrating the amiable and trusting treatment that he received from his U.S. partners.

On 3 October 1988, Major Moises Giroldi gave the United States a second opportunity by rising up against the tyrant at the head of his Urraca Battalion in a movement that had been previously coordinated with U.S. Army intelligence and the CIA. Giroldi offered Noriega to the North Americans and asked them for a helicopter to take him away. Not only did they refuse this offer, they also withdrew all the cooperation that they had provided up until a few minutes before noon, leaving Giroldi to be massacred along with his anti-Noriega officers.

At the time, what apparently led the White House to abort the coup was the fact that it did not respond to the long tentacles with which we are generally manipulated from Washington. The coup plotters had announced new elections, and this did not fit in very well with the Pentagon's plans. The irony is that the October coup ended any possibility of removing Noriega without the hairy hand of Washington. This began paving the way for the act of aggression.

The cost that our people have paid for allowing the North Americans to recapture their uncaged gorilla has been incalculable from the moral and economic standpoints and in the sacrifice of our national dignity. Our economy is not recovering. The financial aid the United States promised so many times has either failed to arrive or else has arrived in an eyedropper, subject to humiliating conditions.

Our people seriously doubt that our democracy has been fully restored, as we are still living in the midst of many of the repugnant political and administrative vices that were characteristic of the military dictatorship sponsored by our neighbors to the north.

Questions about the effectiveness and basic objectives of our justice system and the attainment of its basic purposes as a measure of our institutional life are still disquietingly unanswered.

We are confused and beset with fear that the U.S. manipulation of our country might go to the extreme of incubating another civilian or military monster that serves the interests of the United States rather than ours. That is why Noriega's trial is more what it appears to be on the surface. There is a lot more involved.

Part Four on Endara Link

PA1309013391 Panama City EL DIARIO INDEPENDIENTE in Spanish 12 Sep 91 p 4

[Part four of editorial: "Endara and Noriega"]

[Text] However painful it may be to admit, the Endara government is only a byproduct of the manipulation of the Noriega government. It is even more difficult for the president, who symbolizes our return to democracy, to have to face public charges within his own government of being linked to remnants of the totalitarian criminals. This does not mean that the ticket that garnered a sweeping victory over the military candidate in May of 1989 could not have benefited from some sort of ratification of the people's irrefutable decision. The plebiscite suggested by Vice President Quayle would have sufficed. There are still Arnulfists who hold great prestige in public opinion who continue to speak of a constituent assembly to draft a new constitution, instead of patching up the dictatorship's constitution. Noriega rendered a sinister aspect to the incipient structures of the new government when he resolved to annul the election results, instead of assuming a tough stance as some of his corrupt advisers suggested.

The leaders of the electoral movement, however, had two alternatives at that time: First, hold new elections, or second, "annul" the annulled elections and continue to walk along the nefarious legal path previously defined by the tyranny. Deep down, this would have perpetuated a situation that would have had to somehow disappear. The ghost of Noriega hangs over the Endara government and continues to haunt the halls of the Palace of the Herons. It is an original sin, which if not corrected will eventually delegitimize the process of rebuilding democracy.

U.S. Senators have thoughtlessly hinted at the alleged continuation of narco-trafficking in Panama. The list of businesses registered in the president's legal office, which fell into the hands of the opposition, as celebrated in the Legislative Assembly, and the constant reports in U.S. newspapers that suggest that some sectors are bent on projecting a distorted image of the Panamanian leaders, can only point to one objective—an interest in linking the new government with the sordid practices and image of the Noriega regime.

The U.S. system differs substantially from ours in ethical aspects, which makes it quite difficult for us Latin Americans to accept. In our legal proceedings, it would be scandalous to buy off a criminal to have him "cooperate" with the courts to try another criminal. In the United States it is common practice to surround such a person with privileges, protection, and even bonus pay. Key state witnesses and those who cooperate with the courts are even granted forgiveness for their crimes.

How would the prestige and stability of our government stand if there were political interest in having things stated during the Noriega trial that can confirm what the senators, journalists, and opposition members have been trying to suggest for such a long time. That is, that the democratic government is just as rotten as Noriega's government was?

President Says No Law Prohibits Entry of Cash

PA1209182391 Panama City EL SIGLO in Spanish 12 Sep 91 p 50

[Statement issued by President Guillermo Endara, the Cabinet Council, and Attorney General Rogelio Cruz in Panama City on 11 September]

[Text] President Guillermo Endara Galimany and the ministers of state, who form the Cabinet Council, and the Attorney General issue the following statement:

1. There is no law in the Republic of Panama prohibiting a national or foreigner from entering the country with a specific amount of money in cash, or which establishes that this sole act will bring about the investigation of an alleged crime.

2. Legally—particularly with reference to penal law, customs law, immmigration law, police law, and tax and

commercial law—there is no restriction in the Republic of Panama regarding the movement of capital or money in its various forms.

3. There is absolute freedom of currency exchange in the Republic of Panama. There is also no restrictive measure in the area of control over the movement, transfer, use, and conversion of money. This strengthens the principle of free currency exchange.

4. Therefore, no measure exists in the Republic of Panama that affects the movement of money or instruments of credit or exchange in their various forms.

5. In the area of drug trafficking and money linked to drug trafficking, the authorities are empowered to investigate when there is a presumption or indication that such activities are being carried out.

6. The Cabinet Council and the Attorney General reiterate that freedom of exchange and movement of capital and money is one of the basic institutions of the Panamanian economic system, which we must maintain and guarantee in accordance with our laws, their jurisdiction, and implementation.

[Issued] Panama City, 11 September 1991
[Signed] Guillermo Endara Galimany, President of Panama
Rogelio Cruz, Panamanian Attorney General

Existence of Paramilitary Group Investigated

PA1209223591 Panama City EL SIGLO in Spanish 11 Sep 91 p 8

[Article by Enrique Yali Pitti]

[Text] The alleged existence of a paramilitary group—at the service of the Presidency of the Republic—known as "Los Paisanos" is being investigated by several Christian Democratic Party [PDC] legislators and members, who reported a large number of weapons at the Palace of the Herons months ago.

Intelligence reports gathered by PDC members and leaked to EL SIGLO indicate that great displeasure prevails within the Public Force due to the privileges allowed the alleged paramilitary group "Los Paisanos"—who have been seen carrying sophisticated firearms and using modern communication equipment and vehicles.

EL SIGLO has learned that the paramilitary group "Los Paisanos" trains in the reverted area of Amador, in a field close to the mausoleum built for Omar Torrijos Herrera, and that it has an operations center, or general headquarters, in one of the buildings used by Manuel Antonio Noriega for his special antiterrorist units.

EL SIGLO has interviewed Dr. Ivan Romero, a well-known PDC member, on the subject. He said that U.S. citizens and Panamanians living at Amador have stated their concern because they have seen the same exercises, weapons, and uniforms used by the defunct Defense Forces of Panama [FDP].

Romero said that a vast majority of the Panamanian people struggled to oust the military regime and now they see with great concern what has happened, following statements by the president, who has said that he would use the FDP weapons seized by the U.S. Army to defend himself.

Ivan Romero asked: "What will he defend himself from? His own psychosis? His own weakness?" He emphasized that President Guillermo Endara Galimany should surround himself with better advisers and get rid of that group of "evil men, which includes Menalco Solis, Julio Harris, Joaquin Fernando Franco, Arnulfo Escalona Rios, and others who are causing him so much harm," he said.

Romero said that the proliferation of arms at the presidential palace is indicated by the large number of young men armed to the teeth and sauntering around on the building's grounds and places formerly used by many people to walk with their families.

According to Romero, the building's residents apparently "are preparing themselves for something big" judging from the fact that most of the 100 patrol cars, which were supposedly to be used by the Public Force, have remained in the vicinity of the presidential palace grounds and that the armaments that the U.S. Government returned to Panama have been displayed in exercises.

Romero said that a person needs only to visit the proximity of Cathedral park in San Felipe Corregimiento to observe the increasing number of arms carried by individuals who are in service to the president. He added: "They are indeed preparing themselves for an event that would cause bloodshed."

Later during the interview, Romero said that the Panamanian people will never permit another dictatorship, not "fascist" Arnulfist, liberal, or any other type of dictatorship "because upstarts should not be permitted to make attempts against democracy in our country."

In addition, EL SIGLO yesterday heard the opinions of several Arnulfist Party members, who said that they, the PDC, and other parties are concerned about the constant reports of military training for citizens allegedly working for President Endara.

Another concern of the Arnulfists, particularly followers of Mireya Moscoso de Gruber, is the possibility that armed men might be permitted to attend the Arnulfist Party convention to be held in Penonome on 29 September and that these armed men might injure some of the participants should an argument take place among fellow party members.

Finally, after reports on the increase in the number of arms at the presidential palace and the activities of

paramilitary groups and the Security Council headed by Noriega follower Menalco Solis, several legislators, including Jose Antonio Sossa and Gloria Moreno de Lopez, have told various media that they will try to have these activities controlled through a law approved by the president.

Government Prepares To Purchase Mexican Oil

PA1209155491 Panama City EL PANAMA AMERICA in Spanish 11 Sep 91 p 1

[Report by Julia Elena Alvear]

[Text] The national government has resumed its efforts to purchase oil from Mexico once again, Commerce and Industries Minister Roberto Alfaro said yesterday.

The official explained that during his recent trip to Mexico, he met with Fernando Hiriart, Energy, Mines, and Parastate Industry secretary; and Dr. Raul Hudlet, General Director of Energy Policy, to set the guidelines through which Panama would like to establish trade relations.

According to Alfaro, the Mexican officials were very willing to resume operations with Panama. They would initiate the necessary consultations to reach an agreement with their government and proceed to hold direct negotiations with the Panamanian Government.

The Maya and Istmo crude oils are the lightest fuels produced in Mexico, and Panama would like to purchase them at a rate of approximately 6,000 to 12,000 barrels per day.

Argentina

Verification of Charges of UK Executions Asked

PY1209202891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1206 GMT 12 Sep 91

[Text] Buenos Aires, 12 Sep (NA)—Adolfo Gass, president of the bloc of radical senators, has asked Foreign Minister Guido di Tella to verify charges made by British soldiers that Argentine soldiers who fought on the Malvinas Islands were executed.

The Buenos Aires legislator submitted a draft resolution to Minister Di Tella requesting that he verify whether there were also cases of "torture and mistreatment" by British troops.

Gass asked that international organizations related to the defense of human rights be informed and that a corresponding complaint be filed with the UK Government with regard to the charges made by British soldiers.

Gass said that a book published by a group of former British war veterans entitled "Gurkha Soldiers," discloses that they perpetrated dreadful acts against Argentine soldiers.

Drug Firms Fight Patent Law, U.S. Pressure

PY1209231191 Buenos Aires BUENOS AIRES HERALD in English 12 Sep 91 p 5

[By Uki Goni]

[Excerpts] If the pills in your bathroom cabinet are rattling in their bottles, don't be alarmed. It's just that the medical patents issue is fraying nerves and raising temperatures in the Argentine pharmaceutical industry and the national government.

A team of United States trade officials is in Buenos Aires this week, putting heavy pressure on President Carlos Menem to keep his pledge to push a pharmaceutical patents law through Congress this month. [passage omitted]

Alberto Alvarez Saavedra, the President of the Chamber of Argentine Pharmaceutical Companies, CILFA, says that the pressure on pharmaceuticals is just "the tip of the iceberg. Other areas are due for the chop, this will eventually extend to all services where intellectual property rights are applicable, bank forms, insurance plans, computer software."

CILFA holds that the introduction of what they call a "monopolistic" patents law would push the price of medicines in Argentina through the roof, bankrupting health plans, particularly social welfare funds, at an additional yearly cost of 240 million dollars in a market with a yearly turnover of 1,400 million dollars.

Seeing that the Menem administration is only too eager to take the patent tablets, CILFA has decided to take the issue to the streets, via a massive advertising campaign on TV and in the press.

"The campaign is divided in three stages, working up public awareness of the issue, emphasizing the pressure being placed on Argentina plus the eventual cost of a monopolistic patents law, and presenting our own proposal for a law," Alvarez Saavedra says. [passage omitted]

Alvarez Saavedra is also put off by a kind of First World swagger he detects in the air: "Although I can understand their viewpoint, I would dare say Ambassador Todman and others should choose their words more carefully when they suggest 'piracy' is involved in the copying of drugs by our companies, as no such crime exists under Argentine law," Alvarez Saavedra says. "He should remember that Spain, Japan, Switzerland were also copying drugs until not so long ago. Were they 'pirates' by extension as well?"

The threat of sanctions by the US violates a UN General Assembly Resolution which forbids member states from employing coercion to obtain economic concessions from other nations, CILFA says.

"We also believe that the patents issue is one of Argentina's main bargaining chips at GATT and other forums. Spain only agreed to recognize patents (starting 1993) in return for admission to the EC and after the EC agreed to pick up the tab for increased medicine costs to Spain's social welfare system. Why should we then rush to enact the direct translation into Spanish of a US-sponsored bill? Patents is one of the few things we have to offer for the reduction of agricultural subsidies."

CILFA wants to see Canadian-style patent protection enacted in Argentina, allowing the copying of drugs in return for the payment of royalties. "If Canada, a neighbour and main trading partner of the US, can have compulsory licensing, why can't we? But the US pharmaceutical companies want to see a very strict patents law enacted here, even stricter than the US law, which they also want to see revamped for enhanced protection," Alvarez Saavedra says.

Three draft laws are being prepared at the moment, one at the Ministry of Health, a second one at the Economy Ministry and a third at the Foreign Ministry. Once they are ready, they will be sent to Menem for consideration. What shape that law will take is still anybody's guess. Both foreign policy and domestic considerations will be on the President's mind when he tries to make his diagnosis. Will he risk ruining the health of one of Argentina's top industries in an effort to please the US?

Alvarez Saavedra says he doesn't know. "Menem promised he would consult us before sending the bill to Congress. We haven't received any word from him so far." It seems that waiting to see the President can take as long as getting to see one's doctor.

Central Bank Reports Treasury Deficit for Jul

PY1209231591 Buenos Aires BUENOS AIRES HERALD in English 12 Sep 91 p 3

[From the "Business World" column]

[Text] (DYN)—The Treasury showed a deficit in July of only 28.3 million dollars, the Central Bank reported yesterday. This figure represents a decrease of 92.5 percent over the same period last year, the Central Bank added. The Treasury deficit for the whole year amounts to 1,078 million dollars. Operationally, the Treasury showed a surplus of 217 million dollars in July and of 279 million dollars in the first semester of 1991, the Central Bank said. (This calculation measures the difference between government revenue and expenditure without taking into account foreign and internal debt payments). External and internal debt payments amounted to 245 [as published] million dollars, the Central Bank said. Of this total, 197 million were paid to the IMF, 60 million to the Paris Club and 52 million to creditor banks, the Central Bank reported.

Menem Interviewed on Political Issues

PA3108010991 Panama City TVN Television Network in Spanish 0158 GMT 30 Aug 91

[Interview with President Carlos Menem on "Contrastes" program hosted by Mary Morgan at Menem's Los Olivos residence in Buenos Aires; date not given—recorded]

[Excerpts] [passage omitted] [Morgan] Mr. President, your administration is paying a high political price for the corruption scandal. Do you think that this situation will be redressed during your administration?

[Menem] There is no such thing as a political price currently being paid due to the corruption scandal or anything else. To the contrary, I believe that we are gaining ground given the frankness with which the situation in Argentina is being dealt. We have not only gained ground on the criminal front, where specific laws had been broken, but we have also gained ground in the economic and social sectors, and of course in the political sector itself. In less than two years we have made a radical and meaningful change in the Republic of Argentina. We had a stagnant, totally inactive Argentina, that in 1989 was on the brink of a civil war. It has now been changed into a serious, responsible Argentina that is basically progressing toward our goals—development and growth—as a result of the basic reforms that we have implemented.

[Morgan] Has your point of view as a candidate concerning the U.S. presence in Latin America varied with regard to the policy that now as president you implement?

[Menem] We are now faced with a totally different world. I would say that this is a world totally different from the world that existed five years ago, and I do not need to go that far back. The cold war is over, ideologists are finished, and the ideas and the development of those ideas have triumphed. I would say that this is an almost totally interdependent world. Therefore, Argentina has given top priority to its relations with all other nations, however, it has great interest in maintaining excellent relations with the most powerful nation in the world—the United States.

[Morgan] You have stated that you do not have a political career, but rather a political destiny. What does this mean?

[Menem] It is simply the goal of a man who has dedicated all of his life, or at least a large part of his life, to politics; a man who has made politics a mission; a man who wants to share destiny with the people. Nevertheless, this is a destiny of happiness and of grandeur. Consequently, the political career drops to second in importance, because political destiny is more important. My political destiny is linked to the political destiny of a nation and its people, that is, the Republic of Argentina. [passage omitted]

[Morgan] What is your government's policy to counter the scourge of drug use among youths?

[Menem] A significant portion of my political campaign was dedicated to this issue—drug trafficking. I clearly remember that during my political campaign I received the greatest ovations when, during my speeches to the masses—and when I say masses I mean 80,000, 100,000, 200,000 persons—I said that I was going to press for the death penalty for drug traffickers. I presented this draft bill and the parliament rejected it, however, next year I am going to insist on it. I believe that death traffickers should receive the death penalty. Also, as soon as I took office, I organized a Secretariat of Narcotics that is directly responsible to the president, to me personally. We have undertaken a gigantic task. Very large drug trafficking gangs have been disbanded, and we continue to work with the same dedication, with the same tenacity, without fear of anyone or anything. I do not want my Argentina to go through what other nations in this part of the world are currently going through.

[Morgan] Mr. President, this might be a rather uncomfortable question, but to the world it would seem that the president needs a family at Los Olivos. Is this so?

[Menem] I recall... [pause] of course I love my family. I love my children a great deal—my children that is. I have good relations with my children, particularly with my daughter, however, there are very important tasks before us that must be carried out. There is a biblical passage that one must bear in mind. During one of His sermons before a crowd, some of those who heard His word said: Jesus, your mother and your brothers are here. Jesus replied: This is my family. Jesus was referring to the people to whom He was preaching the word. I love and I cherish my family, my children, however, I owe myself to the entire community, to all the Argentine people. [passage omitted]

[Morgan] Do you consult with someone on important decisions or do you prefer to exercise power alone?

[Menem] Consultations are necessary. However, there are cases when decisions must be made quickly and personally. For example: The decision to send ships to the Persian Gulf was entirely mine. I made the decision to renew relations with the UK on my own, and I can say the same for other things that have been implemented after I made the decision. There are areas where the ability to use judgment plays an important role in what a president can or cannot do. I try to use this ability to the fullest.

[Morgan] In your opinion, what is the key to a politician's success? Is it to be gifted with opportunity or is it to have good luck?

[Menem] I believe that the key to success is responsibility. A person starts to walk along the road to success when he accepts responsibility for the functions granted to him by the people. After that, there is perhaps a bit of luck, and the good use of opportunities that arise, but mainly one must have faith. What is faith? It is to believe in what you do and in the future. I am a believer and I believe in God. I do not need explanations. I have faith. I believe that a superior being exists and that he gives order to the universe. Based on this, I have faith in Argentina and in its people. [passage omitted]

[Morgan] Has the British position changed with regard to your country's claim over the Falkland Islands after the departure of Mrs. Thatcher?

[Menem] Some insignificant concessions have been made, but they mark the possibility of more important and better dialogue with the British. We continue to state the thesis of our sovereignty over the Falkland Islands and the islands of the South Atlantic. The British... [pauses] This struggle dates back to 1833, including even this war, which is known to all. However, we resumed relations with Great Britain immediately after taking office because we are convinced that the only way to recover our sovereignty is through dialogue.

[Morgan] This moves us to talk about the mothers of the Plaza Mayo. How do you view the movement of the mothers of Plaza Mayo?

[Menem] I believe that at this point, the movement has become absolutely politicized. At this point, the movement does not know what it wants. Trying to recover their children, who were regrettably lost during those years of stupidity in Argentina, is useless. To insult, offend, and go abroad to speak badly of Argentina is not a patriotic attitude. Finally, I would tell them that we cannot bear the burden of the dead throughout our lives. The Bible says that we should let the dead take care of the dead.

[Morgan] Mr. President, in view of the formation of the European Common Market next year, what must Latin America do?

[Menem] Latin America must do what we are doing, that is, begin a process of integration, starting with the Mercosur [Southern Cone Common Market], the Andean Pact, and Central America. We must begin total integration of the continent, even with England... [corrects himself] the United States and Canada. The proposal by Bush to create a free trade zone—which is not a common market—from Alaska to Tierra del Fuego is important. We intend to go beyond in this process and eliminate internal borders to create a common border for the entire American continent.

[Morgan] Mr. President, is your position very powerful? Have you been able to fully exercise this power?

[Menem] I have been able to exercise the power assigned to me to the fullest. Many times when they have tried to curtail my power, regardless of how difficult the situation may be, I have exercised it through decrees. [passage omitted]

[Morgan] You suffered, like many of your compatriots, the horrors of terror [of the dictatorship]. Will official pardon pave the way for oblivion?

[Menem] I believe that the conditions exist for official pardon to be final and conclusive. Oblivion now depends on each of those involved in this unfortunate and tragic period of Argentine history. I am not a man who is going to live his life clinging to rancor or resentment. The magic word for everything is love. It is a four- letter word. When there is no love, man fails to do everything he tries. The Bible asks: What is the use of accomplishing something if it is done without love? When one puts love into doing things—love which can do it all—one can change destiny to benefit entire communities.

[Morgan] To end this interview Mr. President, what happened in your country in past decades, and in my country recently, is a lesson for the men who love liberty. How can we preserve this liberty?

[Menem] We can preserve this liberty by fighting and struggling. There is no other way. We can preserve liberty by holding on to liberty with everything we have, and by not allowing anyone to take it away from us. Man has the necessary tools to achieve this objective, and I am unwilling to lose my liberty for the second time. I would rather lose my life than lose liberty.

President Addresses Economic Seminar

PY1209131091 Buenos Aires Radio and Television Networks in Spanish 2259 GMT 11 Sep 91

[Speech by President Carlos Saul Menem at the opening of a seminar on "The Competitive Advantages of the Nation" held in the Golden Hall of Buenos Aires town hall—live]

[Text] Messrs. ministers of the national executive branch; Messrs. national and provincial legislators; Mr. Governor of Buenos Aires; Mr. Mayor of the Federal

Capital; Messrs. municipal legislators, secretaries, and under secretaries of state; Messrs. representatives of the Argentine workers movement; Messrs. businessmen; ladies and gentlemen; and brothers and sisters of the fatherland:

I want to be very brief because the absolute priority of our government is to speak with facts. These concrete facts are transforming Argentina both structurally and profoundly in a true, sincere manner, with no superficial or cosmetic changes.

The meeting we are holding today represents an important call for all of us, for the political, economic, union, social, and institutional sectors. These sectors must consolidate a great alliance for change in the Argentine Republic.

For this very reason, I have not come to this meeting with useless triumphalism. I am not inspired by arrogance or presumptuousness nor the optical illusion of thinking that my government is infallible, everlasting, or triumphalist.

I want to speak very clearly and modestly. I also want to speak with a firm conviction of the new challenges we have ahead of us in consolidating a development model based on three fundamental, complementary, and simultaneous premises. I am referring to stability, growth, and regional and continental integration.

I want to speak very graphically, if you will allow me, in a manner that is not very orthodox. This is not the time for useless efforts, but a time for keeping up the effort, for making a decisive effort so that our country turns the corner toward a miracle that, I insist once again, will not be a gift from heaven but a product of our own work.

We must defend stability at all costs. Stability must not be defended merely as an economic concept, reflected in the struggle against hyperinflation, but also as a political concept, through a mature commitment by all institutions to guaranteeing the most effective and most transparent functioning of our democratic system.

Of course we must advance toward growth, toward a genuine, firm growth. Growth is the great challenge for us. We must grow in all fields: in the assessment of our human resources, in the effectiveness of our economic system, and in the security of our legal system. We must grow with justice, with equal opportunities and possibilities, and with more work and better salaries. We must grow with greater participation by citizens and more management responsibility.

Today, here and now, growth is synonymous with a set of very concrete projects that must be shared and assumed by the government, other political parties, union representatives, entrepreneurial institutions, and the broad network of community organizations.

The agenda of new challenges is long and no one should rest on his laurels. I am too aware of the pending accounts to become confused by the siren song of false sages. I demand that my aides and I hasten, accelerate the rhythm, and not remain with our arms crossed. I constantly demand this of my advisers. Not making progress means retreating, not insisting on the set course means changing the route, to stop is to set back the clock of transformation, and to believe that everything is done is the best way of not doing anything and wasting our achievements. This is why I ask all inhabitants of this blessed land, especially you planners and executors who are responsible for this change, to reflect and take action. We must step up the privatization process for public companies, and that is what we are doing. We must hurry up, and that is what we are doing. We must liberate ourselves from the huge burden that the public deficit represents; we must favor private investment; we must ensure competitiveness through appropriate regulatory frameworks; and we must improve our exhausted production infrastructure.

We must consolidate a smaller, stronger state, a stronger, more modern state. We must reform the state, which also means deregulation. And deregulation means not only debureaucratizing, but also granting the necessary legal security to favor an authentic boom of private and individual initiatives, which will be the driving force of our takeoff.

Of course reforming the state also means increasing the productivity of social expenses, better spending on health, security, education, and justice. We will give priority treatment to a more dynamic nutrition policy and decentralize the distribution of resources to benefit the provinces so that not everything will be the action of an absurdly paternalistic state, out of touch with the people's needs, from a cold, inefficient center.

If we are speaking of competitiveness in Argentina, we cannot sit back with our arms crossed when it comes to our enormous natural resources. Natural resources are nothing but poverty if there is no knowledge; added value; openness of mind by the leadership; efficient, serious, and modern management [preceding word in English]; and honesty, stability, and transparency to definitively reduce the risk status of the country, as well as a technological and productive vision to place those resources where our competitiveness can improve.

Quoting (Michael Porter): The primary economic goal of a country is to produce a high and ever-growing living standard for its citizens. I also want to remind you, however, of a statement by Domingo Faustino Sarmiento [Argentine president from 1868 to 1874] that is tied to our modern world, the world of knowledge. Sarmiento said: All the great events of the world must now be the result of intelligence; while the greatness of nations will be based less on material forces and more on their intellectual and productive ones.

For this reason, it is essential to advance, according to Sarmiento's thought, toward a modernization of our labor and welfare law; toward the construction of a public bank that will be at the service of production;

toward the fulfillment of the essential fiscal objectives that will guarantee not only our stability, but much more. That is, the renegotiation of our foreign debt with an intelligent and equitable approach that will allow us to better distribute our resources.

All these challenges will be self-absorbed, limited challenges, and clumsily isolationist challenges should not be placed in a broader context of our regional integration.

Mercosur [Common Market of the South] is a key scenario for all of us. It is a conceptual umbrella that must yield fruit within the broader context of the Americas Initiative. It is a strategic arena that also implies great challenges. These challenges include finding new markets, adapting our education at the regional level, strengthening tourism as an industry, favoring the intensive use of new technologies, broadening prospects and fields of competitions through rational openings, preserving the environment, and designing a new and integral concept of national defense.

Ladies and gentlemen: All these issues cannot be the work of an indifferent state that will overlook the priority and strategic national policies. Neither can they be the work of a market submitted to a false disunified clash with a public sector that should encourage competitiveness and growth. I am speaking of an indispensable complement, of a humanized, unbiased capitalism that must think of man and place progress at his service. Each businessman must carry out his own battle in the field of quality, better use of human resources, technological and management reconversion, healthy competition, and compliance with tax and market rules. It is easy to understand that this is a task that goes beyond the economic field and enters a deep, cultural dimension. A country is not worth only what it has, a country is mainly worth what it is and what it can make.

This is why I tell you: Rest assured that the president of the Republic is clearly aware of what must be done. He is also sure that if we make what we must, our country will be an example for the rest of the world for its spectacular political, economic, and social growth and progress. I simply want these words to trigger a real storm of ideas that you must generate along with this seminar. It is your duty to generate them. I appreciate each one of your contributions. I know very well that here there are not only Argentines and foreigners thinking of Argentina; there are essentially Argentines and foreigners who are building Argentina. This is why I greet this seminar with great affection, which is something like a great metaphor for the political, productive, and social commitment that all our national leadership owes to the main protagonist and author of this change, that is, the anonymous and heroic Argentine people, a people who have just ratified an immovable mandate, a sovereign right, a historical will for change and progress, a people that once again demand us to think of future generations rather than elections.

These words, which come from the deepest part of my heart, are mainly meant to place on the table of the permanent dialogue among all sectors of society a crucial, essential challenge: an Argentina of growth with everyone's participation; an Argentina of development; and an Argentina that creates the necessary conditions to allow its people to benefit from everything we will make from now on in the industrial, trade, public, medical, judicial, safety, and educational fields. Nothing, absolutely nothing should be left without discussion in this seminar, which I described as a real explosion of ideas for a modern Argentina that is joining this world of daily spectacular changes; for an Argentina that without fail must return to its days of glory; and for an Argentina that has the duty—through all of you and the all the people—of placing itself among the first countries of the world. That is the challenge. No one can avoid it, much less those who create jobs, production, and wealth. Thank you. [applause]

Menem on Plebiscite on Death Penalty in 1993

PY1209193191 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 12 Sep 91

[Text] President Carlos Menem has said that a plebiscite could be held in 1993 to determine whether capital punishment should be adopted.

Menem said the plebiscite could be held in 1993, with the next elections so that the people do not have to constantly go to the polls.

Menem noted that although the majority of the people are in favor of the death penalty for drug traffickers, kidnappers, and rapists, the government will wait for the outcome of the plebiscite to take any action.

Yoma Accused of Anti-Menem Campaign

PY1209165091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0313 GMT 12 Sep 91

[Text] Buenos Aires, 11 Sep (NA)—The lawsuit filed by Zulema Yoma against President Carlos Menem "is part of a campaign designed to destroy him," according to information obtained by intelligence service personnel from a person "who participated in the plan."

According to the version given to NOTICIAS ARGENTINAS by a high- ranking intelligence source, a person who participated in the meeting during which "everything was planned," [words indistinct] and decided to inform the authorities not to stay involved.

The following is the source's version:

"This weekend someone close to Zulema Yoma gave a high-ranking government official details of a 5 September meeting at the former first lady's home, during which several civilian personalities linked to the Army 'painted faces' convinced her to start a strong political campaign designed to 'destroy Menem.'

"The first step would be to file a lawsuit against him for allegedly failing to pay alimony and child support.

"According to the informer, the former first lady, her private secretary, an attorney in charge of defending the 'painted faces' officers, a businessman, and a former deputy were at the meeting.

"On that occasion a 'political team' was created [words indistinct] Zulema Yoma and an agreement reached regarding the details of the lawsuit filed today.

"Moreover, the attorney who attended the meeting said that he felt comfortable after a meeting with the judge hearing the case—although it has not been proven this was the case—and, 'the only way to stop me is by killing me because to defend Zulema represents a patriotic act.'

"The businessman said, 'this is not an ordinary trial, it is a political trial' and then added, 'this is going to be hard, very hard.'

"Regarding the lawsuit, the people attending the meeting agreed to file a petition that the judge hearing the divorce case authorize Zulema to enter the Olivos residence to recover her personal effects.

"The tactic was to request that Zulema Yoma go to the Olivos residence with a judge and that she be stopped by the Granaderos military guards or the police.

"Another possibility was to request the embargo of nontangible goods in the hands of Menem, including alleged properties in Iraq.

"Zulema Yoma at first did not go for this proposal but she finally gave in because of some pressure exerted by the businessman (identified as one of the men who financed the 3 December military uprising) who attended the meeting."

Bolivia

World Bank Grants $55 Million Credit

PY1209183391 La Paz Television Boliviana Network in Spanish 1700 GMT 12 Sep 91

[All figures as heard]

[Summary] During a ceremony in Cochabamba, President Paz Zamora reported that the World Bank has granted a $55 million loan. Most of this money will be allocated to the city of Cochabamba. Some $9 millions will be invested in La Paz, $8 million in El Alto, $17 million in Santa Cruz de la Sierra, and almost $19 million in Cochabamba to implement potable water and sewage system programs.

Inquest Ordered on Pilot Arrested in Paraguay

PY1109182191 La Paz PRESENCIA in Spanish 8 Sep 91 p 5

[Text] The Bolivian Air Force [FAB] command has ordered an inquest into the case of Verly Valdez, pilot of the FAB-016 Cessna aircraft. Valdez and two other Bolivian citizens were arrested in Paraguay on 31 July on charges of alleged cocaine trafficking.

In reply to a question by PRESENCIA on whether Valdez would be prosecuted or dismissed from the institution, FAB Commander in Chief General Alejandro Camponovo said: "The FAB command already has ordered an inquest into the case." He added: "If Valdez is acquitted in Paraguay, he will be prosecuted in keeping with FAB legal rules."

The Armed Forces command has asked Paraguayan Criminal Judge Cristobal Caceres Frutos for an official report on Valdez' situation, considering that Valdez cannot defend himself in Bolivia.

FAB authorities have not ruled out the possibility of dismissing Valdez if the Paraguayan court decides to sentence him.

Both General Victor Guzman, commander in chief of the Armed Forces, and Camponovo have denied reports from Paraguay that Valdez is being held in an Asuncion prison on orders from the judge.

They said that according to the latest report sent on 6 September by Colonel Tomas Rivera, Bolivian military attache in Paraguay, Valdez is being held at the Air Force Officers' Club in Nu Guazu.

However, a report received from Asuncion on 24 September [as published], states that the judge ordered that Valdez be held in Asuncion's main prison.

Valdez was arrested on 31 July, when it was discovered that he carried 16 kg of pure cocaine in the plane, which made an emergency landing some 100 km inside Paraguayan territory.

Valdez and Bolivian passengers Urbano Vaca and Salomon Landivar have been under prosecution by the Paraguayan court since 5 August on charges of alleged cocaine trafficking.

The judge ordered their imprisonment and set bail at $170,000 each.

The case has not yet been concluded and investigations continue. The plane has been confiscated, and the possibility of Bolivia recovering it has been ruled out because the plane carried 16 kg of pure cocaine and because it has been established that the drug route was set up six months prior to the seizure of the plane.

Brazil

President Visits Zimbabwe, Mozambique, Namibia

WA1309144691

For Southern African media reports on the visit to Zimbabwe, Mozambique, and Namibia by President Fernando Collor de Mello, including his meetings with the respective African heads of state, see the Southern Africa section of the 13 September 1991 and subsequent issues of the Sub-Saharan Africa DAILY REPORT.

Strike Paralyzes Refinery; Oil Production Down

PY1309123391 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Sep 91

[Excerpts] The strike by oil workers has paralyzed the Paulinha refining plant in Sao Paulo.

As of midnight the stoppage cut the production of a total of 230,000 barrels of oil at the largest refining plant in Brazil.

The strikers, who have camped out in front of the refining plant, today stopped sending fuel to the distribution plants. The Paulinha plant refines 25 percent of the oil processed in Brazil.

In Bahia the strike has already reduced gas and fuel production by more than 50 percent. [passage omitted]

As of dawn in Rio de Janeiro, pickets prevented workers from entering the Duque de Caxias refining plant, the second largest of its kind in Brazil. [passage omitted]

In the Campos Basin, off the littoral of Rio de Janeiro, oil production has dropped by 90 percent.

According to Petrobras [Brazilian Petroleum Corporation], oil production throughout the country has dropped by 50 percent and six of the ten refining plants are operating with reduced staff.

Petrobras authorities have stated that there is no risk of a fuel shortage.

Petrobras Files Court Action

PY1209151291 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 11 Sep 91

[By Nielmar de Oliveira from Rio de Janeiro]

[Text] Petrobras [Brazilian Petroleum Corporation] filed a claim today with the Superior Labor Court, asking it to rule that the oil workers strike is abusive. Petrobras also asked the court to rule on the oil workers' collective rejection [dissidia coletiva] of its salary increase proposal.

This information was supplied by Petrobras President Ernesto Teixeira Weber.

According to Teixeira Weber, Petrobras filed a claim on the abusiveness of the strike because the oil workers invaded some Petrobras installations and threatened to invade others.

Concerning the petition on the collective rejection ruling, it was filed because an 80-percent adjustment, including a promise to revise the index within four months, is all that Petrobras can offer to the more than 55,000 oil workers in the country.

In the Petrobras president's opinion, the problems caused by the strike are localized.

[Begin Teixeira Weber recording] At 1500, all our refineries are operating and we are processing 1.25 million barrels of oil, which is the average in our monthly program.

All our terminals are operating and pumping products. We have localized difficulties in the Temadre terminal in Bahia State and the Alemoa terminal for the mooring of ships. Nevertheless, the terminals are operating normally.

The BR Company, which distributes our products, is operating normally and the only problem is a lubricants shortage.

In addition, I have an important report: An agreement already has been achieved with the four trade unions of the Petrobras distributing companies. A telex from one of them is already in our hands. [end recording]

Without describing, for strategic reasons, the situation of the stocks of petroleum byproducts, Teixeira Weber guaranteed that Petrobras has been stockpiling petroleum byproducts for the past 30 days, which dispels the possibility of a fuel shortage now.

Chile

Reports of Honecker Visit Called 'Groundless'

PY1309033891 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 13 Sep 91

[Text] The Foreign Ministry has said that reports stating that former President Erich Honecker, of the former GDR, would come to Chile are totally groundless.

Reports of a possible Honecker trip to Chile shocked the media because the former Communist leader is accused of giving orders to border troops to shoot anyone trying to escape to the West. Honecker is presently in Moscow.

At the beginning of the year there were reports that Honecker wanted to visit Chile. The reason would be personal because one of his daughters lives in Concepcion. She is married to a Chilean citizen who returned to the country after living in exile in the GDR.

Yesterday news agencies again mentioned a possible trip by Honecker to Chile. At noon today Foreign Minister

Silva Cimma refuted the reports. The foreign minister said the reports are totally groundless and the Foreign Ministry will make a decision on the matter if needed.

On his return from Easter Island this afternoon, President Patricio Aylwin was asked if the Chilean Government would accept a visit by the former Communist leader.

[Begin Aylwin recording] The Chilean Government has not received any application on the subject. We do not contemplate the need to authorize anything. [end recording]

If Honecker comes to Chile, he would do it on an Aeroflot flight that arrives on the afternoon of 14 September. The German Embassy in Santiago refused to comment, but diplomatic officials said newspaper clippings on the issue were already sent to Germany to be studied and verified.

Aylwin on Need To Improve Laws on Easter Island

PY1209205391 Santiago Radio Chilena Network in Spanish 1700 GMT 12 Sep 91

[Report by Maria Angelica Rodriguez from Easter Island]

[Text] President Patricio Aylwin has told the Easter Island Elders Council—a type of local parliament—that the government fully realizes that the laws in this Chilean province must be updated. He added that the government must not overlook the problems created by the distance that separates Easter Island from the continent and the resulting communication and transportation difficulties. He also said that current laws are being reviewed and will be modernized to protect the local cultural patrimony and the island's cultural identity.

[Begin Aylwin recording] Easter Islanders, the Rapa Nui, will have the opportunity next year to join the rest of the Chilean people in democratizing their municipalities and regional limits through the municipal elections that will be held in June 1992 in accordance with the constitutional reform that has just been approved by the two branches of Congress. They will have the opportunity to begin a new phase of effective participation by the people in solving the problems that concern them directly; the problems of their own community. [end recording]

I hope, Aylwin added, that the implementation of this process will allow the Easter Islanders to elect their own municipal authorities and directly participate in the national government in the quest for solutions to their problems.

The head of state discussed this issue and expressed his appreciation at being appointed an honorary member of the Easter Island Elders Council, an honor that was also extended to Enrique Correa, the minister secretary general of government.

The chief executive, who will conclude his visit to this remote possession today, is now meeting with the local community. It is expected that he will make some announcements to the Easter Islanders.

Government Objects To Decoration for Pinochet

PY1209194191 Santiago Radio Cooperativa Network in Spanish 1100 GMT 12 Sep 91

[Report by Veronica Franco]

[Excerpts] Government Secretary General Enrique Correa has said that the executive branch supports Defense Minister Patricio Rojas' letter to the UDI [Independent Democratic Union] in which he requests that the UDI does not decorate General Augusto Pinochet.

Minister Enrique Correa said that the defense minister's letter safeguards the autonomy of the political sector and its seniority over the military institutions.

[Begin recording] [Correa] He thus protected the Armed Forces institutional objectives.

[Reporter] Mr. Minister, the defense minister [words indistinct]

[Correa] I believe the defense minister adopted the right measures. The government is satisfied and it fully supports the action of the minister who seeks to pursue long-term objectives, such as ensuring that politics be performed by political parties, political leaders, and those elected to perform political functions. [end recording] [passage omitted]

Minister Correa also said that the government does not agree with those who say that the 1973 coup in Chile anticipated by 18 years the fall of Communism and Socialism. The events that occurred during this decade are the result of a political and economic opening—a combination of free market economy and democracy—and this did not occur in Chile during the military regime, he concluded.

Vega Urges Servicemen To Back Government

PY1209182091 Santiago Radio Cooperativa Network in Spanish 1100 GMT 12 Sep 91

[Text] General Ramon Vega, commander of the Chilean Air Force [FACh], has urged his men to continue to perform their constitutional role by subordinating their actions to the current government.

Gen. Vega raised the need to view the 11 September coup as a historic action that already has yielded benefits and will yield even more benefits.

He noted that 18 years ago the civilian officials were unable to bring the ideological conflict dividing the country under control. Thus, the Armed Forces had to take action as a last resort in response to the people's outcry.

Gen. Vega added that military personnel were then in their barracks and that the coup that overthrew President Allende was an action designed to restore internal order in the face of an atmosphere conducive to a civil war.

The FACh commander then described the former regime as very technical. He described the current government as one of reconstruction and modernization and one that has fulfilled its timetable to achieve full democracy.

Finally, Gen. Vega urged his subordinates to promote and honor exchanges with civilians and to maintain and improve coordination efforts with the other armed services. He also urged them to seek the utmost efficiency in modernizing FACh. Our major objective today is to achieve unity, Vega said.

Defense Minister on Civilian, Military Relations

PY1009135291 Santiago Radio Cooperativa Network in Spanish 2300 GMT 9 Sep 91

[Text] Defense Minister Patricio Rojas has said that he does not share the opinion expressed by a retired Army general during a seminar organized by the Army. The retired general said that military and civilian relations are not experiencing a good moment.

[Begin Rojas recording] I do not think the people believe this; it is not the national opinion, and it is not the government's opinion. I certainly do not believe it is the opinion of the Armed institutions. Therefore I do not think that a seminar on defense policies should be confused with defense attitudes by political (?stands). [end recording]

The defense minister said that comments like the one by this retired general do not worry the government. Rojas said that such comments should be well based if they are to be publicly and democratically debated.

Regarding an interview with General Pinochet last night by a television channel, Rojas said he will not comment on it until he sees it. Minister Rojas spoke following a ceremony commemorating the 17th anniversary of the Investigative Police under secretariat.

Experts Deny Finding MIR Leader's Remains

PY1309121291 Santiago Radio Cooperativa Network in Spanish 2300 GMT 2 Sep 91

[Text] Attorney Hector Salazar has confirmed that tests performed at the Forensic Medical Service show—despite what was expected—that the remains found in tomb number 2,335, are not those of former MIR [Movement of the Revolutionary Left] leader Juan Bautista Van Schouwen. The first tests, particularly after the administrative investigation, indicated that the remains belonged to the MIR leader who was arrested following the military coup. The measurements, the date of death, and above all the location, supported the assumption that the remains belonged to Van Schouwen.

A week-long careful investigation and a series of tests have proved, however, that the remains are not those of the MIR leader.

Salazar said that the investigation ordered by the 4th criminal court will continue until Van Schouwen's remains are found.

Leftist Marchers Attacked by Alleged Communists

PY1209190791 Santiago Radio Cooperativa Network in Spanish 1100 GMT 12 Sep 91

[Text] The Political Committee of the PDI [Leftist Democratic Alliance] has protested over the beating of PDI President Luis Guastavino. The PDI believes that members of a Communist Party shock group are responsible for beating Guastavino.

The incident occurred on the morning of 11 September while members of the PDI were taking part in the March for the Dignity and Hope of the Chilean People. The marchers began with a mass at the San Ignacio Church and then marched to Allende's Tomb at the main cemetery of Santiago. At the time of the attack, members of the PDI, human rights associations, and other leftist parties were paying their respects to victims of General Pinochet's regime.

Party Created For Municipal Elections

PY1209145091 Santiago EL MERCURIO in Spanish 2 Sep 91 p C2

[Summary] Political leaders of the Democratic Centrist Union, the National Centrist Union, the Alessandrist Independent Movement, the Chilean Socialist Party, and other independent groups yesterday created the Commission for Unity and Political Action [Comision de Unidad y Accion Politica], which will be registered as a political party for the upcoming municipal elections. The commission is headed by Celso Poblete of the Alessandrist Independent Movement. Sara Cartagena of the Democratic Centrist Union, Julio Munoz of the National Centrist Union, Julio Tuma, and Jorge Cruzat were named vice presidents. Ricardo Fernandez is the secretary general.

Transportation Sector Ends Provisional Strike

PY1109035691 Santiago Radio Cooperativa Network in Spanish 2300 GMT 10 Sep 91

[Excerpts] Pedro Goncalvez, chairman of Conatratch [Confederation of Federations and Unions of Land Transportation Enterprises], has just announced that the strike organized by this sector will be lifted at midnight today. Goncalvez said that 80 percent of the bus drivers joined the strike, which was a good percentage. Goncalvez added that this was only a temporary measure that will be assessed by the sector's grass roots on 13 September. [passage omitted]

Goncalvez added that the Conatratch grass roots are on alert in view of possible government actions against its leaders. He did not dismiss the possibility of another strike.

Health Leaders Reject Government Legal Action

PY1109023091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 10 Sep 91

[Excerpts] Health Minister Jorge Jimenez has said it is regrettable that the government was forced to start legal proceedings against 28 top Fenats [National Federation of Health Workers] leaders. He added that this should not be regarded as persecution or a desire for revenge. [passage omitted]

When asked whether Fenats members would be punished according to administrative statutes, regardless of the legal proceedings against Fenats leaders, Jimenez said he did not think that going on strike was the best way to negotiate. [passage omitted]

Representatives of all tendencies within Fenats have categorically rejected the legal proceedings against their leaders.

Juan Diaz, Fenats first vice president, who is a Christian Democrat, regretted the government's decision because, he said, the health sector workers' demands are legitimate and fair. He added that the workers have a right to strike and that it will always be a weapon for defending their demands. [passage omitted]

Colombia

Caracas Talks Focus on Combat-Free Zones

PA1209151591 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 12 Sep 91

[Text] The Caracas talks are like big rivers: Still waters run deep. The communiques issued today by the government and the Guerrilla National Coordinating Board show that they agree on almost all points.

However, there will be an in-depth discussion on points such as the combat-free zones [zonas de distension]. According to the guerrillas, these are vast areas of the country that the government is not willing to recognize as zones under guerrilla influence. In spite of the apparent agreements, the government negotiators believe there is no reason to be optimnistic.

There is agreement on the need for a cease-fire as a condition for continuing the talks. They agree that certain areas should be established where the guerrillas will locate their members. The government proposes 60 areas, one for each front. They also agree that there should be verification commissions, as already foreseen in the 25 June agreement. Both parties are using the term bilateral when referring to the cease-fire. The guerrillas were the first ones to use it, and now the government is using it.

The guerrillas are asking for guarantees for their political activities without weapons, and the government is granting them to persons who do not have any pending business with the courts. The two parties are making their proposals comprehensive in nature—that is, either all or nothing will be accepted.

Both are demanding a time limit. The guerrillas accepted this complaint by the government. All of these concurrences do not mean a total agreement. Each issue will have to be discussed in order to define points such as: The peculiar aspects of each organization, front, and region; the number of guerrillas in each front justifying that a certain area be declared a combat-free zone; the relation between the cease-fires; and the development of other aspects of the agenda.

Government, Rebels Outline Proposals in Caracas

PA1309014991 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 11 Sep 91

[Report by Carlos Mario Diaz]

[Text] A significant step forward has been taken in the third round of talks between the government and the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] in Caracas. Spokesmen from both sides outlined their proposals with regard to a cease-fire and the suspension of hostilities.

The government and the rebels agree on a bilateral and transitional cease-fire in 60 different places in Colombia. They disagree, however, on where the zones of detente will be located and on the agenda for the negotiations.

In Caracas, the cards have been laid on the table. The government has made five proposals: 1) the concentration of guerrilla forces in 60 different places in Colombia; 2) a bilateral cease-fire; 3) clearly defined zones of detente, without military or guerrilla presence; 4) the creation of mechanisms that will allow political mobility to guerrilla representatives who do not have criminal records; and 5) the protection of civilians in zones where guerrilla forces will concentrate.

The CNGSB made 12 proposals, which may be summarized as follows: 1) a bilateral cease-fire; 2) a halt to the dirty war; 3) a halt to military growth; 4) equal conditions without advantages for either side, though concessions should nevertheless be made; 5) definition of a timetable for the cease-fire, including extensions of deadlines; 6) verification of the agreement at the national level; 7) verification of agreement at the international level; 8) a willingness to discuss the location of zones of detente; 9) a willingness to discuss areas for guerrilla concentration; 10) political guarantees for rebel spokesmen; 11) neutral zones without military presence; and 12) the understanding that the agreement would imply progress on other points of the agenda.

Both proposals agree on a bilateral cease-fire and mobility for guerrilla representatives. They disagree,

however, on the location of cease-fire zones and the guerrilla's insistence on linking a cease-fire to the implementation of all other points on the agenda.

In addition to both proposals, the ELN [Army of National Liberation] officially announced today in Caracas that the organization would stop its attacks on Colombia's oil installations and electrical infrastructure.

Gaviria Adviser on U.S. Embassy Communique

PA1309003991 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 12 Sep 91

[Text] The U.S. Government, through its embassy in Bogota, has announced that it does not agree with the coffee agreement reached by Colombia and Brazil. We have contacted Dr. Gabriel Silva, an adviser to President Gaviria on international affairs, by telephone.

[Cecilia Orozco] Good morning, Dr. Silva.

[Silva] Good morning, Cecilia.

[Orozco] Dr. Silva, the U.S. Embassy communique speaks of unilateral actions by Colombia and Brazil. Do you agree that Colombia and Brazil are acting unilaterally outside the pact?

[Silva] The truth is that the communique has come as somewhat of a surprise for the government because over the past two years the coffee market's situation has been disastrous. The coffee producing countries have lost $5.2 billion and the only sectors that have benefited are the coffee toasters and intermediaries, because the prices paid by consumers in the United States and other countries have not decreased; meanwhile, the prices paid to producers have dropped. The truth is that in the end, neither the producers nor the consumers have benefited.

The situation being what it is, the United States has pledged on several occasions to adopt a constructive position concerning any new methods that could lead to the recovery of the international coffee pact's economic clauses. Toward this effect, Colombia has been trying to find solutions. In fact, the United States has admitted that the producers must first reach agreements before a definitive solution can be established, because many problems have emerged from a lack of understanding among the producers.

Thus, it is inaccurate—to say the least—that Colombia, Brazil, and other producers have acted unilaterally.

[Unidentified reporter] What will follow now? How will the Colombian and Brazilian Governments react to this communique, which virtually forces them to depend on what the United States says with regard to coffee?

[Silva] The truth is that the producers are consulting with one another. An interesting meeting just took place in Brazil between the Brazilian and Colombian Governments and producers. The meeting was very successful. The producers are still holding consultations to prepare for the meeting of the International Coffee Organization [OIC] in a few weeks. The consultations must lead to a consensus; it is not a matter of enforcing unilateral impositions, but of sending proposals to the OIC for discussion with the United States and other industrialized and consumer countries who have displayed interest. Other countries outside the United States have displayed an interest.

There is another worrisome point in the communique, the point involving the financing of inventories. The U.S. Embassy communique states that the U.S. Government is willing to finance the coffee we have in stock. As far as I know, neither the Colombian Government nor any of the other producing governments have asked to have the coffee they have in stock financed as part of a retention plan. What has been said is that there are poor countries that may not have the wherewithal to implement a new plan.

Colombia has proposed a plan of solidarity with the poor countries of Central America and Africa, which will allow them to improve their situation through a coffee retention plan financed with resources from other countries, including Colombia and other countries willing to display solidarity toward Central America. It is not our intention to have the United States finance coffee retention for Colombia or other countries. We are simply seeking gestures of solidarity for other producing countries that do not have the resources to finance retention.

[Reporter] Dr. Silva, the communique says that the United States withdrew from the pact when it became obvious that there was a shortage of soft [as heard] coffee and that sales to non-pact countries were increasing, of course, at lower prices. Have these circumstances disappeared?

[Silva] Those circumstances affected maintenance of the international coffee agreement's economic clauses. They have disappeared because the market has adjusted to different types of coffee. Second, the proposed plan to retain 10 percent does not discriminate against any coffee. It reads like a transition plan; it is a plan to confront the market's current crisis—as President Gaviria has said—and is not intended to create a producer cartel or to create a shortage on the market. It is simply a mechanism to make the transition to a more permanent plan with stable prices.

[Reporter] Dr. Silva, despite the U.S. statement on the case, will Colombia retain its 10 percent as of 1 October?

[Silva] The Finance Ministry and the Federation of Coffee Producers will make the final decisions. However, Colombia has always worked within a framework of consensus between producers and consumers. I hope that despite its communique, the United States will maintain a constructive attitude and try to seek a consensus at the forthcoming OIC meeting in London. I hope that a consensus will be reached at that meeting, and that from that point on it will be possible to implement the decisions that are reached there, each

country being assigned its part. Colombia would be allowed to retain its 10 percent.

[Reporter] Thank you very much, Dr. Silva. You have been very kind.

[Silva] Thank you very much, Juan.

Arrest Warrant Issued for Cali Cartel Chief

PA1209205091 Mexico City NOTIMEX in Spanish 1936 GMT 12 Sep 91

[Text] Santa Fe de Bogota, 12 Sep (NOTIMEX)—Gilberto Rodriguez Orejuela, chief of the Cali Cartel, reportedly could be arrested after the decision of the Supreme Court of Justice repealing his acquittal by a court in 1988.

According to the Supreme Court of Justice, the highest court of law in the country, there were irregularities in the drug trafficking process of a penal court from the city of Cali, located in the southwestern part of the country, against drug chieftain Rodriguez Orejuela.

Rodriguez Orejuela, whose extradition is wanted by the U.S. Government, is considered to be the head of the most powerful drug trafficking network in the world, after Medellin Cartel chief Pablo Escobar Gaviria surrendered to authorities on 19 June.

With the ruling issued by the Supreme Court of Justice, the process that acquitted Rodriguez Orejuela from the charges made by the U.S. Drug Enforcement Agency (DEA) was nullified and the chief became an accused individual.

The highest court of law in the country also decided to begin an investigation against Colombian Judge Ivan Posso Posso—who was responsible for acquitting the Cali Cartel chief a little over two years ago "for alleged violations of the law."

An arrest warrant will also be in force against alleged drug traffickers Hernando Giraldo Soto and Jorge Santa Cruz Londono, whom the DEA describes as the individuals who have introduced the largest amount of cocaine into the United States.

According to analysts, Rodriguez Orejuela and his men could be arrested and subjected to a new public hearing.

However, sources explained that in the event that Rodriguez Orejuela is arrested, he will not be extradited to the United States because the new Colombian Constitution bans the extradition of Colombian nationals to be tried in other countries for crimes perpetrated abroad.

Gaviria on International Drug Commitment

PA1209170091 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0006 GMT 11 Sep 91

[Text] President Cesar Gaviria today appealed for an international commitment to fighting drug trafficking. He said the responsibility for solving this problem cannot fall only on those nations that have been used by organized crime. Opening the first police congress in Santa Fe de Bogota, Gaviria reported the lack of cooperation by the developed countries.

The international threat of drug trafficking has not ended. Also, the war that Colombia has been waging against this scourge imperils the stability of other countries that may be victimized by the drug barons.

[Begin Gaviria recording] This struggle has produced a twofold phenomenon in Colombia. Unfortunately, Colombian drug traffickers have sought more suitable countries, where there are fewer risks and costs associated with more intensive repression. In addition, the vacuum created when one of the most powerful drug rings was disabled has opened opportunities for criminal organizations in other countries to enter this illegal business. [end recording]

The audience listening to Gaviria's words was friendly; the chiefs of police of 16 countries affected by drug trafficking.

[Begin Gaviria recording] The internationalization of crime must be resisted by making the administration of justice truly universal. The Colombian people's demanding sacrifice will certainly make it possible to reduce drug trafficking in our country to the status of a marginal activity. Ironically, this will not mean a large achievement for mankind if this crime is not attacked with equal firmness throughout the criminal chain. [end recording]

The president reiterated the need to update juridical mechanisms to suit the new demands of multinational crime.

Roundup of Guerrilla Battles, Activities

PA1209202391

[Editorial Report] Santa Fe de Botoga EL TIEMPO in Spanish on 1 September carries a 600-word report on page 14A, which states that "two Army of National Liberation [ELN] rebels were killed on 31 August in a clash with La Popa Battalion soldiers in rural La Paz Municipality, Cesar Department." As a result of the fighting, the Army captured one AK-47 rifle and one FAL rifle, one rifle grenade, six cartridges, and eight kg of dynamite. The report adds that another ELN group killed two sisters, "accused of providing information to the Army."

Santa Fe de Bogota EL TIEMPO in Spanish on 5 September carries a 100-word report on page 1A on an "inventory" the government took to the Caracas talks on guerrilla acts perpetrated since 3 June, which reads as follows: "120 guerrilla acts, 20 ambushes, 30 civilians killed, 50 kidnappings, 29 dynamite attacks on pipelines, three attacks on gas pipelines, three attacks on other oil

infrastructure, and 54 dynamite attacks on energy towers that have hurt the entire Atlantic Coast."

Santa Fe de Bogota EL NUEVO SIGLO in Spanish on 6 September carries a 100-word report on page 10 on the deaths of eight rebels of the Revolutionary Armed Forces of Colombia [FARC] during an Army and police operation on 31 August in Sucre Department. One of the rebels killed was known as Commander Felix, identified only as "the rebel column's leader." The report adds that in the past few days, "the Army has dismantled guerrilla camps in Arauca, Caqueta, Huila, Santander and Norte de Santander Departments."

Santa Fe de Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 8 September carries a two-minute report stating that "eight FARC rebels were killed in separate clashes with soldiers near Florencia, El Caqueta Department." The radio station notes that Juan Ambu Infantry Battalion soldiers captured six guerrillas of the FARC's 15th Front. "A large amount of military equipment, long- and short- range weapons, were seized, and one rebel camp, which had workshops and dormitories, was destroyed," the report added.

Madrid EFE in Spanish at 1952 GMT on 8 September carries a 150- word report that cites military sources as saying that "at least 14 guerrillas were killed today in clashes with the Army in several areas of the country." The worst fighting was reported in Caqueta Department's rural areas, where 12 rebels were killed.

Supervisor of Treasury Appointed

PA1309022691 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0020 GMT 11 Sep 91

[Text] The new Constitution, approved in 1991, has given birth to several creatures still unknown to the people. One of them is the supervisor of the treasury, a super agent who will pursue employees and officials who go after the state's money as they would go after buried treasure.

The supervisor of the treasury is Jorge Garcia Hurtado, 62, born in Antioquia. One of 30 brothers and sisters, 17 of whom are alive and none of whom work for the government, Garcia holds a degree in law and economy, has been Santa Fe de Bogota comptroller and foreign trade superintendent, but has not worked for the government for the past 26 years.

[Begin Garcia recording] To me, honesty is man's essential virtue in life. [end recording]

If supervisor Garcia does not keep his eyes open, budget additions in governorships and mayoralties in many instances will end up in the pockets of petty politicians trying to get themselves elected.

[Begin Garcia recording] The supervisor of the treasury will have two primary functions. One, to establish in Colombia a situation where there will be no doubt with regard to the source of power. Two, to make the handling of resources an open process. [end recording]

Garcia will hold the same rank, have the same prerogatives and status, and earn the same salary as the prosecutor general.

[Begin Garcia recording] We should legislate to assign the rank of preliminary investigators to all the inspectors of the general comptroller's office and of departmental and municipal comptrollers' offices. As long as this is not done, the embezzlers will be faster than the law. [end recording]

As a good chess player, Garcia expects to check the thieves of the public treasury with this move.

Ecuador

Petroleum Engineer Named New Energy Minister

PA1209174891 Quito Cadena Ecuador Radio in Spanish 2300 GMT 9 Sep 91

[Excerpt] Petroleum Engineer Oscar Garzon has assumed his role as energy and mines minister. He replaced Eng. Donald Castillo, who resigned unexpectedly.

The official report said that the new energy and mines minister assumed his post before President Rodrigo Borja at a private ceremony on 9 September.

Minister Garzon is 47 years old, has extensive experience in the hydrocarbons industry, and is the first petroleum engineer to occupy the position of energy minister. He was assistant technical manager and assistant production manager at the Ecuadoran State Petroleum Corporation, CEPE, where he conducted an aggressive oil exploration campaign. He was a petrophysics professor at the Central University of Ecuador and has published several works, such as "CEPE and the Opening of Foreign Capital." He studied at the Central University of Ecuador and received a post graduate degree in Washington.

Donald Castillo resigned from his post for health reasons.

Garzon Quiroz is already installed in his office, Secretary General of Communications Leopoldo Barriga announced. [passage omitted]

Paraguay

Appellate Court Releases Union Leader Baez

PY1209152691 Asuncion ABC COLOR in Spanish 12 Sep 91 p 27

[Excerpts] Victor Baez Mosqueira, leader of the United Labor Federation (CUT) [Confederacion Unida de Trabajadores], was released yesterday after the Fourth Civil

Appellate Court reversed Judge Nelson Guillen Culzoni's arrest warrant against him. The Appellate Court describes Judge Guillen's decision as "capricious, baseless, inaccurate, and devoid of common sense and moderation."

Judges Cesar Antonio Garay, Roque Pedro Miranda, and Carlos Camp Ausina—Fourth Civil Appellate Court members—ruled yesterday on Baez' appeal against the arrest order and ordered that he be "immediately released." The CUT leader then left the Palace of Justice security offices, where he was held under arrest for more than a week. [passage omitted]

Judge Guillen had ordered Baez Mosqueira to serve 20 days because, in his opinion, the CUT leader was solely responsible for a recent CUT congress, attended by more than 300 delegates, despite an injunction issued by the court suspending the congress at the request of some CUT members. [passage omitted]

Peru

Fujimori Plans To Continue Privatization Process

PY1209122291 Lima LA REPUBLICA in Spanish 2 Sep 91 p 3

[By special correspondent Marlene Macedo]

[Excerpts] Bagua, 1 Sep—President Alberto Fujimori said yesterday he will continue the privatization process of public companies but "they will not be sold at laughable prices, nor may they be purchased with foreign debt papers."

The president arrived in this hot city to commemorate the 50th anniversary of the political creation of Bagua. Fujimori also replied to criticism by Libertad Movement leader Mario Vargas Llosa by saying that he "lacks any authority for criticizing the government or the sacrifices of the Peruvian people."

Fujimori also reiterated his proposal to cut the compensation fund by 50 percent, which corresponds to the 11 regions' share, and transfer this 50 percent to the municipalities.

He nonetheless recognized the value and importance of regional governments, and he publicly declared his support for the regionalization process "under a decentralized concept."

As a demonstration of his support for decentralization, Fujimori promulgated a law that recognizes Bagua as the capital of the northeastern Maranon Region.

Fujimori clearly stated that the government will continue with the privatization process as he promised, and he raised his voice to say: "But there are privatizations and privatizations." [passage omitted]

He said that it is odd that the government is currently being pressured to sell public companies, perhaps "because August has ended, the month of sales and auctions."

"We will continue with the sales, but we will not auction or give them out to those who bought foreign debt papers before the presidential elections." [Vargas Llosa promised businessmen that if he won the elections, the government would accept foreign debt papers in privatizations]

Fujimori added: "Those who have those papers in their hands may consider them as lost."

The new presidential style, in which the strict and traditional protocol has been replaced by informality and expectation [as published], also was reflected in Fujimori's Bagua speech—which was sometimes colorful and included jokes or sometimes harsh and precise.

Fujimori was very cautious when referring to the statements recently made by Vargas Llosa, who ran against him in the last presidential elections.

"We will not tolerate," Fujimori said, showing his fist, "someone who comes like a tourist from London or Paris to make criticisms to this government and its sacrificing people."

"Because if one wants to criticize one must have authority, and in this case one can acquire authority simply by living here with the people," Fujimori said.

His reply is related to his weekend activities in the most distant towns of Peru, where he receives requests, writes down petitions, and even listens to criticisms. [passage omitted]

Liberty Movement Becomes Political Party

PY120915229? Lima LA REPUBLICA in Spanish 2 Sep 91 pp 8, 9

[Summary] The Liberty Movement, which was headed by writer Mario Vargas Llosa, held a convention at which a new leadership was elected. It was also decided that the Liberty Movement become a political party, but keep the name movement. Senator Luis Bustamante Belaunde was named president, replacing Vargas Llosa, and Senator Miguel Vega Alvear was named secretary general. The Liberty Movement also decided to join the Liberal Union International.

Deputy Criticizes Lack of Protection for Tourists

PA1209162391 Lima Global de Television Network in Spanish 0100 GMT 10 Sep 91

[Text] Populist Raul Diez Canseco, chairman of the Industry Commission in the Chamber of Deputies, said on 9 September that he personally experienced the lack of security that exists for tourists when the tourist bus in which he was traveling in El Cusco was attacked by an apparently new subversive group.

[Begin Diez Canseco recording] It was an attack on a bus full of tourists from various countries. According to the report filed here, it was not Shining Path or the MRTA [Tupac Amaru Revolutionary Movement]. The slogans of these subversive groups were not used; it was a new, somewhat different group. The matter is serious; I had already informed the interior minister of the tourists' abandonment of El Cusco.

Tourism Police Chief Colonel Jorge Negrete has said that despite his efforts to increase the Tourism Police force, over the past 17 years the force has been cut, and there are less than 30 men in El Cusco. What is even worse, he says, is that he has only two tourism units. Now, when Peru must improve its image abroad, this is a very serious blow to an already depressed area.

Another important issue is the discussion I held with the president of Aeroperu, who has announced that within the next few days the first DC-10 should be arriving in Peru to resume the Lima-Los Angeles route. This is good news for the Peruvian people and for the board of directors of Americana de Aviacion, which is going to offer discounts on its domestic flights. [end recording]

Mining Export Credit Approved 11 Sep

PA1209190891 Lima Global de Television Network in Spanish 0100 GMT 11 Sep 91

[Text] The Andean Development Corporation [CAF], financial branch of the Cartagena Agreement, will grant Peru a loan of up to $20 million to finance mining exports. The government on 11 September authorized this foreign debt operation to be administered by the National Bank.

The credit has a 390-day term with the CAF's standing interest rate on each disbursement date, plus a commission equivalent to 1 percent per year with each payment.

The National Bank will channel the credit's funds through the national financial system to the mining sector through an agreement with the Economy and Finance Ministry. The National Bank will also be responsible for guaranteeing the timely reimbursement of the credits granted in order to cover the debt.

Shining Path's Urban Activities Studied

PY1309022491 Lima LA REPUBLICA in Spanish 1 Sep 91 Sunday Section pp 2-6

[By Antonio Morales]

[Text] A careful investigation carried out by civilian and military experts and prestigious private institutions over a period of six months has revealed that the Shining Path [SL] is preparing a giant pincer operation around Lima. The operation involves poor urban neighborhoods surrounding Lima, through which the SL intends to suffocate government administration in the medium term. The operation is developing quietly and without any commotion. Politicians and society have not yet noticed it.

The document says that SL efforts are concentrated more on neighborhood centers that are not well organized than on unions. In the past, the SL has tried to take over or disorganize unions (if infiltrating them was not effective).

What follows is a summary of the researchers' fieldwork based on exhaustive surveys in universities, unions, and shantytowns.

The SL is no longer seeking hideouts or followers, nor is it training recruits—typically military tasks that are carried out by small groups. Today the SL is working to increase its influence over large numbers of people, and it expects not only the support of the people, but also their subordination.

In the past three years and since its first congress, the SL has made a sharp turn in its policy on neighborhoods. The creation of the Neighborhood Pro-Class Movement [Movimiento Clasista Barrial] was an important indication of this turn around.

"The so-called shantytowns surrounding Lima constitute the primary expression of social inequality, of the oppression of a large majority by a small class, and of the obsolescence of the present social order (...). This is why the centers of poverty, the so-called urban poverty belts, have become true steel belts that will enclose the large bourgeoisie and their repressive forces." This quote was taken from EL DIARIO [SL paper].

A new slogan was created: Fight, produce, and organize. In neighborhoods, this slogan resulted in the creation of "open popular committees." These committees are reportedly in the four zones into which the SL has divided Lima. They represent a new SL tool of power in the city. They are used to impose the SL's concept of "new economy, new culture, and new education."

In the countryside the SL forces peasants to produce for themselves alone. In the neighborhoods they impose a type of barracks communism. The population is forced to produce handicrafts and shoes, to eat at the same hour, and to fulfill a program of work, vigilance, and education. The similarities with Raucana [area controlled by the SL] are not accidental.

SL pragmatism in neighborhoods is another outstanding characteristic. Today the SL competes with the legal left to control popular organizations and to pursue its goals, although through confrontation and violence.

"For water and light, fight and resist," says SL graffiti in the Campo Grande shantytown.

Some of the demands that the SL once condemned as "attempts by United Left [UI] revisionists to wash the face of the system," are used today by some of its militants in Lima neighborhoods.

Under the Magnifying Glass

The SL emphasizes infiltration in nine low-income districts in the north, the south, and along the Central Highway. These districts are: San Juan de Lurigancho, Ate-Vitarte, Chaclacayo, Chosica, Villa Maria del Triunfo, Villa El Salvador, San Juan de Miraflores, Pachacamac, and San Martin de Porres.

A 2d Military Region document entitled "Diagnosis and Survey of Political Violence and SL Infiltration in Lima," points out that Canto Grande, in San Juan de Lurigancho, is where subversion has increased the most over the past year.

The figures prove this assertion: 1) Thirteen Enatru [National Urban Transport Enterprise] buses have been set on fire since January; 2) the SL placed flags on shantytown buildings during the SL anniversary celebration and recently directed simultaneous blockades of the shantytown's main streets; 3) the SL has used community loudspeakers, markets, and schools, and has organized marches by over 200 people in broad daylight; 4) in some areas, it controls visits by people from the outside; and 5) the SL has captured Milk Glass Program trucks and distributed the milk among its sympathizers. It has also captured soft drink and food distribution trucks for similar purposes.

Moreover, a growing influence in the San Juan de Lurigancho Central Market and the local SUTEP [Trade Union of Education Workers] headquarters has been detected. The SL also enjoys a powerful hegemony in the metropolitan union of marketplaces.

Currently the SL controls the demands of more than 80 percent of the marketplaces in San Juan de Luringancho. As a sort of rebellion they have demanded the elimination of municipal taxes and of health certificates as well as the right to control food prices without interference from the local city hall.

Recently, a mob incited by the SL occupied the town hall and tried to abduct Mayor Pedro Zazzali, who is among the mayors in the capital who have received the most threats.

Motupe, Huascar, Jose Carlos Mariategui, Pedregal, and Montenegro are shantytowns where the terrorists carry out their activities with a certain amount of freedom because the inhabitants have offered little resistance. These shantytowns, situated around the Miguel Castro Castro prison (in which over 250 SL members are housed), have all the necessary ingredients to become powder kegs.

In some cases the SL's expansionist aspirations have been frustrated by legal leftist parties. The weakness and lack of cohesion within its ranks show that the SL was never prepared for this sort of challenge. Following the nationwide tendency to join the SL, which began in early 1991, a significant sector of the UNIR [National Union of the Revolutionary Left] Bolshevik faction in Canto Grande joined.

The people survive primarily by associating with the town hall (which is controlled by the UI), state organizations, and ONG [nongovernment organizations], and, at the same time, by tolerating SL interference in their daily activities.

A civilian source believes that, in addition to means for territorial control that are not as developed as in Raucana, the SL may have an access route cutting through the hills that surround Canto Grande—that is, a horseshoe-shaped road to Huarochiri, where eleven UI mayors remain underground due to a wave of threats and attacks.

In San Juan de Lurigancho, however, the terrorists have encountered difficulties that they find are difficult to overcome. Their rhetoric does not get the expected support from the population of shantytowns set up by people who immigrated from the zones that are in a state of emergency (Huanta 1 and Huanta 2). These people are former peasants who came to Lima fleeing the war and who are tired of pretending to support any armed group.

Moreover, the lack of an industrial zone in San Juan de Lurigancho, as in other districts, prevents them from engaging in labor union activities. This is just a dormitory district.

A specialist maintains that, although the SL has developed rapidly and successfully in Canto Grande, their priority zone, as far as its strategic settlement goes, continues to be Ate-Vitarte. The corridor that goes from Ate-Vitarte to Matucana is a priority item on Abimael Guzman's agenda.

The number of people affected by SL activities in Ate-Vitarte amounts to more than a dozen, without taking Raucana and its surroundings into account.

The SL has stopped its recruiting and indoctrination activities (Huaycan, Horacio Zevallos, Santa Clara, Los Angeles, and San Antonio) and has started to gradually impose its will on the civilian population. [sentence as published] This is because police in Vitarte have surrendered territory and now restrict their patrolling to the town's historic area. The reason for this is that in the past two years, the SL selectively attacked police patrols and stations in the zone. Moreover, the political parties have abandoned entire neighborhoods leaving the SL as the only active political organization.

Several of its members in that district are former militants of the most radical groups of the legal leftist sector. They are a fistful of individuals who feel let down by former partisan experiences and who are currently absorbed by terrorism.

Halfway through the previous government, a political negotiation between representatives of the Education Ministry and threatening SL spokesmen permitted a

great number of SL members—who graduated from La Cantuta and the Andean universities—to occupy teaching positions in teaching centers of USE [Special Service Unit] 5, the largest in Lima. These "teachers" are obviously carrying out a medium- and long-term plan with hundreds of children. They have created the "Teachers' Class Committee," an organization that gathers teachers who, regardless of their position in the education sector, teach at the "open popular committees."

Villa El Salvador is another district where the SL has established roots, although only after a certain delay and difficulties. According to some witnesses, Zone E, which is almost on the outskirts of the district, is full of people who support the SL, as in San Gabriel (Villa Maria del Triunfo) and in unspecified shantytowns in San Juan de Miraflores. The terrorists have begun to extort money from merchants and they "regulate" the price of products. The zone's inhabitants resort to the SL to solve local controversies or to ask for protection against delinquency.

Not long ago a blacklist of authorities and popular leaders circulated in Villa El Salvador. Most of the people had already received death threats. Governor Magno Gomez, who was murdered in July, was one of the people on the list. Currently, the most serious threats are directed against Michel Azcueta. Some believe that the threats are only intended to intimidate victims. The SL may be waiting for the right moment to try to kill these people.

Further south, in Lurin and Pachacamac, SL activity is relatively recent. Following SL activities in shantytowns and after the killing of a mayor, however, it can be said that the SL is increasing its activities on the outskirts of these two districts. More than one source claims that the SL has its own route to Lima's mountain range here—a route used to get supplies of explosives. It is relatively easy to reach the mining towns in the high Andean plateau of Huarochiri through this area. The SL have repeatedly gotten their supplies of dynamite from these mines; Yanaseri is one of them.

Although the SL's penetration in the Northern Cone [Cono Norte] is not as extensive or as serious as in the eastern or southern zones, it is also true that the SL's activities have become feverish in many fields. There are reports of forced recruitments (red enlistments [batidas rojas] or raids) in Independencia, Comas, and Carabayllo. The SL has seized electoral registration cards in order to destroy them or to discover the presence of intelligence agents in remote towns.

In the Los Olivos District, a neighboring area, the SL has promoted confrontation and disputes in recently established settlements. The population of neighborhoods on both banks of the Rimac River, in San Martin de Porras, have not only experienced armed raids, but the SL is now trying to give them guidelines on how to organize their community life.

This is currently happening in Bocanegra and Garagay, for example, where the SL is beginning to develop an involvement similar to the one in Raucana. The resistance of some people was broken after SL followers terrorized them (at least two opponents were killed and the houses of others were burned; all of them were accused of being informers).

Strategic Balance?

The SL is trying to improve its public image, disguising SL penetration of neighborhoods with a halo of benevolence, of "solidarity with poverty." While it uses terror to confront its opponents and intimidation to subdue civilians behind the scenes, the SL uses harmless language—resorting to sensitivity—with the press and with television.

The towns mentioned in this article were initially clandestine popular committees. Today most of them are open popular committees. Several popular committees in the same zone form a support base [base de apoyo]. The next step in SL logic is to form armed open popular committees (Raucana will be the first one). If it manages to achieve this step, the SL would be close to the eagerly sought strategic balance; 11 years of guerrilla warfare would give way to a new phase: a war of movements.

Abimael Guzman's reasoning is comprised of the following logic: If the SL has destabilized the state with guerrilla warfare, creating vacuums for the ideal new power to emerge from, the current priority is to defend the space where this incipient new power is developing; in other words, to preserve territorial control at all costs.

Therefore, no one rules out the possibility of future confrontations in Raucana, Canto Grande, or Bocanegra. The SL will use these confrontations to carry out pre-insurrection tests of the people it dominates. If the government wants to disrupt the SL structure, it will have to find a bold, intelligent response. Any sudden military attack would provoke a bloodbath that would be used by Guzman's acolytes as a boomerang.

Red Raucana

The face of Defense Minister General Jorge Torres Aciego grew pale the night that three of his men appeared on his television screen, blindfolded and with their hands tied. They were rather clumsy and not too clever intelligence agents. They were supposed to conduct in-depth investigations into the SL presence in a settlement along the Central Highway. The intelligence agents were finally captured by a crowd. Two days later, the press was summoned by the town's alleged leaders. Behind the detainees was a group of children and, on one side, a handful of mothers. It was a candid, innocent picture showing the intruders as the bad guys of the movie and their captors as defenseless people and the victims of evil.

It will not be easy to nullify the effect of that image. Neither will it be easy to claim, with well-founded

reasons, that Raucana is an SL citadel. The press discovered it three weeks ago in Vitarte, 8 km from Lima.

For the group of experts who have investigated this issue and whose conclusions we are disclosing in this report, those 150,000 square meters, which are occupied by 1,500 people protected by a wall and isolated by ditches that prevent the entry of vehicles, enjoy a sort of extraterritorial status.

Raucana is a type of shantytown that—according to endless evidence that was not necessarily discovered by the intelligence services—the subversives want to sell to the poor of this town. The strange thing is that they are managing to sell it with the help of some media, which are certainly not very clever.

In 1983, when thousands of migrants began to occupy the Huaycan esplanade, the SL saw that area as key to its strategic settlement of the Central Highway. In a short period of time, the SL filled the zone with its members and began to use it as a shelter, a place for meetings to plan attacks or for training and recruiting purposes.

Fortunately, what they planned had the opposite effect. They did not suspect that an endless number of autonomous social organizations would emerge in Huaycan in the following years, and that the traditional political parties, both left and right, would inspire the population's affection and support.

On one hand, the policy of threats did not yield the expected results, and, on the other hand, on participating in community organizations, the SL proved its inability to meet and channel the demands and needs of an emerging town. Civilian resistance and a lack of prestige for its political cadres isolated the SL in Huaycan.

Moreover, the SL cadres began to realize that instead of raining, it was pouring. Army dragnet operations, which were originally carried out with no intelligence work and affected innocent people, became more selective. The military is now conducting operations with lists of names, knowing ahead of time whom they are looking for and where they can be found.

By the end of 1989, the SL confirmed its failure not only in Huaycan, but in the union sector as well. Its aspiration to "strengthen" the Central Highway Struggle Committee turned out to be another chimera. Its work had to be reconsidered. This is called a tactical readjustment.

Both setbacks led to a modification of the SL development model on the Central Highway: 1) Union action stopped being a priority. Starting from that moment, it took second place in the campaign and struggle for covert control of some shantytowns. 2) Instead of settling in towns with a high level of politization, where—as in the case of Huaycan—it could encounter resistance, the SL decided to settle in the poorer neighborhoods without grass-roots organizations, or even better, empty or private properties, where no one could compete with them.

The idea of creating Raucana surfaced then, taking advantage of the demands of thousands of unemployed and subsistance migrants for housing. In this manner, the SL gave up the ambitious project of seizing Huaycan for something that is apparently modest, but that will be effective and will comply with its way of thinking. At this time, SL consolidation in that zone is uncontrollable.

It is well known that the SL seeks to settle in the poorest sectors to garner their support. The SL aims its support campaign at the poorest sectors of the population, who have been forgotten by every government through the years. Domination of them is easy because they are not organized and they live in extreme misery. Anyone who is able to organize them under the promise of giving them a house and some kind of order in which to exist will receive some obedience and sympathy from them.

This is what the SL did in Raucana, but it resorted to terror against those who resisted. The SL militarized the daily life of thousands of people. How many of them are true SL supporters? How many of them remain there only under threat of death? It is impossible to know. What it is well known is where the SL leaders came from. A few years ago many of them were SL activists on the Central Highway Struggle Committee. Some of them were even labor union leaders. The leader of the National Tobacco Company was one of them.

Raucana is situated in the urban area of Vitarte, in the widest point of a ravine containing several settlements. The SL leaders are gradually gaining greater control over the entrance to the ravine. This means that the inhabitants of Amauta and Monterrey are "checked" by SL brigades posted at the entrance points. The influence of the "Raucas" SL is also felt in San Gregorio, 28 de Julio, Nuevo Vitarte, and San Antonio, where many youths have been trained. The Raucana SL is seeking to extend its actions and its involvement to all people living in the ravine.

What causes concern is that the SL is achieving its goals. It has recruited several people under the threat of forcing them to march and run through the streets shouting slogans and singing. It also takes over empty lots and properties and administers justice where there is no police.

The most revealing aspect of this situation is the new invasion being planned by the SL. The property that is being targeted is agricultural land three times larger than Raucana that reportedly belongs to banker Luis Leon Rupp. The people who are counting the future invaders said that up to 6,000 families can be settled on that property. If that invasion occurs in the next few weeks the entire ravine will be in the hands of the SL.

But the actions do not just include getting into new settlements and shantytowns but also into factories. The SL, which was not able to enter unions directly, will now try to indoctrinate a large number of people in the settlements, especially those who work in the industrial centers along the Central Highway. Let me mention the

nylon factory that is close to Raucana. A group of SL supporters have been working there for several years.

In this sort of liberated territory, which neither the police nor the Army can enter, the Shining Path is trying practices such as in the Upper Huallaga before General Arciniega's offensive, or the ongoing practices in the southern and central mountain ranges. There is, however, a major difference: Now the Shining Path is doing it barely 8 km from the capital.

The clash on 7 August placed Shining Path forces in a state of readiness. It was very obvious that there was a military logic and that there were lines of attack. In conclusion, as some people said, it could have been a simulated pre-insurrection uprising.

Perhaps inadvertently, the Shining Path played two cards this time. It was probably seeking a massive confrontation with violent repression and dead pregnant mothers and, especially, children, who were in "the line of fire." Thus, a military defeat would have become a political victory, as occurred—with due consideration for the differences—with the massacre in the prisons.

Negotiations finally succeeded. The threats to the owner, the judge, the mayor, and the councilmen of Ate-Vitarte produced an outcome that perhaps even the Shining Path did not expect when it began its adventure: Antonio Isola, the owner, offered to sell the land to them for an amount that would definitely be "symbolic." The Shining Path will thus soon become the "legitimate" owner of a militarized stronghold.

Those who have analyzed this thorny subject do not doubt that the political handling of the situation, supported by a bold military action and a campaign of terror, has allowed the Shining Path to "legally" settle a short distance from the headquarters of the state that the Shining Path wants to destroy.

What Is at Stake

The Possibilities of a Third Course

Subversion does not accept civilians' neutrality. It bets on polarization, eliminating the political center. Whoever hesitates or doubts is an enemy.

On the other side, there are civilian and military sectors who do not accept neutrality either. The state is either to be defended or fought, and any disagreement with adopted methods is a synonym for treason.

Both sectors believe that the war is dirty, especially if they want to win it. Preaching about human rights hinders their objectives.

Year after year, the number of supporters for this position has grown. A cold, inhuman approach to the conflict is slowly gaining ground.

After 11 years of conflict, the triangle of insurgents, security forces, and the civilian population—whose operation appears clearly when analyzed on a blackboard—is not working.

In Raucana, the population has sided with a sector—either to survive or out of conviction. There is no room for intermediate positions there. The civil defense committees that the Army created in the emergency zones are an example of this on the side of the security forces. Whoever resists joining them is suspected of terrorism, and we know his fate.

Under such circumstances, the aspiration to make the war more humane in order to achieve peace (which is supported by a sector of the church, the legal leftist groups, many independent groups, and liberal rightist factions) has become a daydream with the possibility that at the end of the conflict, this sector, which advocated a third solution, may emerge ravaged by the cross fire.

Democratic life cannot be banned by decree. Yet it can be undermined, contaminated by war.

Some people believe that a third peace-seeking solution can follow two courses: To strive for a negotiated settlement with a politically isolated and militarily defeated insurgent sector, or to seek a tactical alliance between the population—through their parties—and the Armed Forces around a national salvation program. Implementation of these proposals, however, will only be possible if the political life recovers its predominant role. Otherwise, we can imagine what will happen.

Uruguay

Ministry Denies Purchasing Training Planes

PY1209212791 Montevideo EL PAIS in Spanish 1 Sep 91 p 16

[Text] In view of press reports today on the purchase of equipment by the Uruguayan Air Force [FAU], the Defense Ministry states:

1. The government has not made a definitive decision on the purchase of training planes for the FAU;

2. The delay is because under current laws the appropriate administrative proceeding has not concluded;

3. An appropriate report will be issued if such a purchase is made.
Montevideo, 30 August, 1991.

Navy Captures Two Taiwanese Trawlers

PY1309013791 Montevideo Radio Carve in Spanish 0000 GMT 13 Sep 91

[Text] The National Naval Prefecture has captured two Taiwanese trawlers illegally fishing in Uruguayan territorial waters.

National Naval Prefecture officers have reported that the trawler (?Hsiang Hiu 22), flying the Taiwanese flag, was sighted inside the exclusive economic zone in the past few hours.

After confirming the position of the trawler and the existence of more than 60 kg of [word indistinct] in the water, the National Naval Prefecture detained the trawler and escorted it to the metropolitan port.

Another trawler, the (?Hsing Hseng), from the same country was later sighted under similar circumstances and it, too, was detained.

Both trawlers carried important cargoes of tuna fish in their holds. The crews of the trawlers have been placed at the disposal of the appropriate courts.

The first trawler was crewed by 32 men, most of them Filipino, and the second trawler was crewed by 33 men whose nationality was not disclosed.

It was reported that the catch is reportedly worth several million dollars [as heard].

Possible Transfer of BCCI Funds Investigated

PY1309034691 Montevideo Radio Carve in Spanish 0000 GMT 13 Sep 91

[Text] Uruguayan officials are investigating the possible entry of $145 million, allegedly brought in by two Peruvian officials of the International Bank of Credit and Commerce [BCCI].

The police chief has said that no clues to the presence of these people in Uruguay have been found in investigations to date.

Nevertheless, [Police Chief] Osvaldo Diaz admitted that relatives of the Peruvian officials are living in our country and, for this reason, they may have chosen to come to Uruguay.

Meanwhile, Jose Maria Orlando, an adviser to the Central Bank president, has pointed out that investigations were also conducted in the banking system and no evidence of the entry of that money was found. He recalled the recent approval of regulations to prevent laundering money with illegal origins. Orlando emphasized the difficulty of bringing a quantity of notes, which would require more than 20 bags, into the country without being noticed by customs.

Minimum Salary, Public Servant Salaries Raised

PY1309132191 Montevideo Radio El Espectador Network in Spanish 1000 GMT 13 Sep 91

[Excerpt] A report released by El Espectador press department has been confirmed: the salaries earned by employees of the central government have been raised by 20 percent.

The national minimum salary has concurrently been raised by 30 percent. [passage omitted]

Venezuela

Duran To Discuss Oil During Visit to Cuba

PA1209212191 Madrid EFE in Spanish 1630 GMT 12 Sep 91

[Article by Jose Bujanda]

[Text] Caracas, 12 Sep (EFE)—Venezuelan Foreign Minister Armando Duran will travel to Cuba for an official three-day visit beginning 15 September. The visit comes at a time described as "crucial" for the Caribbean island and the petroleum shortage will dominate the agenda.

Venezuela supplies crude oil to Cuba as part of an exchange agreement with the Soviet Union to reduce the cost of transporting Soviet oil to the Caribbean island.

The agreement allows Venezuela's clients in Europe, mainly the German enterprise Veba Oel—created by Venezuelan Petroleum, Inc. (PDVSA) in association with Ruhr Oel—to process Soviet oil instead of Venezuelan oil.

In return, Cuba receives a similar amount of Venezuelan crude oil instead of the Soviet oil, but the changes in the Soviet Union have forced Cuban President Fidel Castro's government to look for alternatives, such as purchasing oil from Mexico and Venezuela.

In 1989, Cuba received a total of 13.2 million tons of petroleum from the Soviet Union, in 1990 it received 10 million, and for 1991 the amount is the same, although there are delays in delivery.

There are no plans for subsequent years due to the changes in the Soviet Union, but observers estimate a rapid decrease in the shipments and even their total elimination.

According to data from PDVSA, Veba Oel had earnings of $3.9 billion in 1990 and processed 145 barrels of oil per day.

According to the Venezuelan Foreign Ministry, Duran will meet with his Cuban counterpart Isidoro Malmierca. Duran's visit is part of the so-called "consultation mechanism" between the two countries, a number of periodic meetings similar to those Venezuela has with Colombia and Chile, and hopes to establish with Peru.

A Venezuelan mission has been in Cuba since 7 September. The mission consists of representatives of the country's three largest political parties: Manuel Felipe Sierra of the Democratic Action Party, Hilario Cardozo of the Copei [Social Christian Party], and Pompeyo Marquez of the Movement Toward Socialism (MAS).

Bilateral trade is close to $70 million, but Venezuela's exports to Cuba increased, through a credit line granted

by the Venezuelan Government in 1984, from $1 million that year, to over $25 million in 1990.

Mexico and Venezuela have had an energy cooperation program with 11 countries in Central America and the Caribbean since 1980. Through the so-called San Jose Agreement, they supply to those countries 160 barrels of crude oil per day under lenient payment terms.

Cuba is not part of that agreement and Venezuelan President Carlos Andres Perez this week definitely ruled out the possibility that the Castro regime could profit in the future from that agreement.

Oil Exports Reach Highest Level Since 1979

PA1209165191 Madrid EFE in Spanish 1846 GMT 6 Sep 91

[Text] Caracas, 6 Sep (EFE)—According to the state-owned Venezuelan Petroleum, Inc. (PDVSA), Venezuela has exported a daily average of 2.063 million barrels of crude oil and by-products during the first half of 1991. It is the largest volume since 1979.

Exports during the same period in 1990 averaged 1.759 million barrels per day [bpd], which represents more than a 10 percent increase in the annual figure.

The total amount of hydrocarbons exported during the first half of 1991 was 1.343 million bpd. This amount was divided as follows: 319,000 barrels of light crude; 412,000 barrels of medium crude; 539,000 barrels of heavy and extra heavy crude; and 73,000 barrels of reconstituted crude.

Of the 720,000 barrels of by-products, 171,000 were naptha; 220,000 distillates; 257,000 residuals with sulfur content; and 72,000 other by-products.

The United States was the biggest buyer of Venezuelan oil, with 1.365 million bpd (66 percent of Venezuela's total exports).

Central America and the Caribbean bought 255,000 bpd (12 percent); Europe 241,000 (12 percent); South America 94,000 (5 percent); Japan 6,000; and other countries 102,000.

Suriname

New Government To Resume Ties With Venezuela

PY1109195491 Paramaribo Radio Suriname International in English 1735 GMT 11 Sep 91

[Excerpt] The current government will be able to resume ties with Venezuela immediately after its installation. This was said by New Front Chairman leader Henck Arron yesterday after his return from the Latin American country. For the past three days, he held discussions with Venezuelan President Carlos Andres Perez. Arron [words indistinct] of the newly elected President Ronald Venetiaan. He however emphasized that the new government which will come into office next week can immediately resume relations with Venezuela. [passage omitted]

Commando Leader Brunswijk Congratulates Venetiaan

PY1109195891 Paramaribo Radio Suriname International in English 1730 GMT 11 Sep 91

[Text] Jungle Commando Leader Ronnie Brunswijk has sent a letter to newly elected president Ronald Venetiaan congratulating him. In the letter he also calls for a speedy peace accord and construction of the interior.

The leader of the illegal arms group, has in a letter to outgoing president Johan Kraag, further expressed his thanks for the contribution of Kraag and Army leader Desi Bouterse to the peace in this region.

The jungle commando has also saluted the visit of the head of state and the commander to the interior in his letter. Two officials of the Jungle Commando have told the daily DE WARE TIDJ that there have been no hostilities during the rule of the interim cabinet.

The two rebels, [names indistinct], have expressed the (?move) that the current government will round off the peace (?initiative) in the region speedily. The achievement of peace in Suriname is, however, an internal matter said the rebels who added that no one would benefit from a military intervention from outside.

Military intervention has, according to (?Bron Adulenssen), only brought misery in other countries.

The newly-elected president has been [words indistinct] not explored the possibility of military intervention if the problems in the country can't be solved through dialogue.